2020 RIVERVIEW ROAD
ESSEX, MARYLAND 21221

FILE NO: 2002-180

APPRAISAL REPORT

2020 RIVERVIEW ROAD
ESSEX, MARYLAND 21221

FILE NO: 2002-180

PREPARED FOR

Ms. Patrice L. Stanley
Procurement Office
Maryland Environmental Services
2011 Commerce Park Drive
Annapolis, MD 21401

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Bel Air, MD 21014
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PAGE APPRAISAL
COMPANY

September 11, 2002

Ms. Patrice L. Stanley
Procurement Office
Maryland Environmental Services
2011 Commerce Park Drive
Annapolis, MD 21401

Re: 2020 Riverview Road
Essex, Maryland 21221

Dear Ms. Heller:

Per your request, we have performed an appraisal of the above referenced property for the purpose of estimating the market rent of Maryland Environmental Service's 5-year lease. The report is subject to certain contingent and limiting conditions as set forth herein. This report is a self-contained report that communicates the results of a complete appraisal. The effective date of our appraisal is August 13, 2002, the date of inspection. The report was completed and delivered on or about September 11, 2002, which serves as the report date.

The property consists of three contiguous irregularly shaped lots with approximately 28,537 square feet of RC-5 zoned land. Site improvements include a 122-foot pier, crusher run parking area and access road.

The focus of the appraisal is to estimate market rent for the subject, assuming a 5-year term. We concluded cost approach would not produce a meaningful indication of value because the subject is essentially waterfront residential land. This type of property is typically purchased for single-family residential use and is not considered an investment type property. This and a dearth of comparable income and expense data make the income capitalization approach impracticable to develop and unreliable. In this appraisal, we fully developed the sales comparison approach to estimate market value of the subject. We based market rent on a fair return on the property and operating cost.

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Based on our analyses of the facts, data and opinions presented in this report, we conclude the following market rent for the subject:

Estimated Market Rent for the MES 5-Year Lease		
Year 1	July 1, 2002 - June 30, 2003	$25,050
Year 2	July 1, 2003 - June 30, 2004	$25,739
Year 3	July 1, 2004 - June 30, 2005	$26,447
Year 4	July 1, 2005 - June 30, 2006	$27,174
Year 5	July 1, 2006 - June 30, 2007	$27,921

If you require any further information, please contact us. Thank you for using the services of the Page Appraisal Company, Inc.

Respectfully submitted,

Bernard A. Page, Jr., MAI
President, Page Appraisal Company, Inc.
MD License #04-626

David January, MAI, SRA
MD License #04-051

BAP/DJ/tlr
File No.:2002-180

TABLE OF CONTENTS

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

File Number:	2002-180
Subject Property:	2020 Riverview Road Essex, Maryland 21221
County/City:	Baltimore County
Map Reference:	Tax Map 104, Parcel 169, Lots 35, 36 and 37
Owners of Record:	Patricia Kluttz
Site:	The subject consists of three contagious lots with approximately 28,537 square feet, plus the right to use a 15-foot strip of land west of the driveway.
Zoning:	RC-5 (Resource Conservation)
Improvements:	Site improvements include a gravel parking lot and a 122-foot pier.
Highest and Best Use:	Two residential waterfront lots represent the property's highest and best use.
Type of Appraisal:	Complete Appraisal
Type of Report:	Self-Contained
Effective Date of Appraisal:	August 13, 2002
Date of Report:	September 11, 2002

Final Estimates of Market Rent:

Estimated Market Rent for the MES 5-Year Lease		
Year 1	July 1, 2002 - June 30, 2003	$25,050
Year 2	July 1, 2003 - June 30, 2004	$25,739
Year 3	July 1, 2004 - June 30, 2005	$26,447
Year 4	July 1, 2005 - June 30, 2006	$27,174
Year 5	July 1, 2006 - June 30, 2007	$27,921

PURPOSE, INTENDED USER, AND INTENDED USE.

Purpose. The purpose of this appraisal is to estimate market rent for the parking lease at the Hart-Miller Island Land Base.

Client. Ms. Patrice L. Stanley
Procurement Office
Maryland Environmental Services
2011 Commerce Park Drive
Annapolis, MD 21401

Intended User. Maryland Environmental Services is the sole intended user of this appraisal report. Use of the report by others is neither intended nor authorized by the persons signing this report. Parties who receive a copy of this report as a consequence of disclosure, or other means applicable to the client, do not become intended users.

Intended Use. This report will be used to establish market rent for the parking lease at the Hart-Miller Island Landbase. Other uses of this report are neither intended nor authorized.

PROPERTY IDENTIFICATION

The subject property's postal address is 2020 Riverview Road, Essex, Maryland, 21220. The property consists of three interior waterfront lots that are leased by Maryland Environmental Services (MES). The subject property is a portion of a property that Baltimore County identifies on the County's Tax Maps as Lots 35, 36 and 37, Parcel 169 (Wildwood Beach) on Tax Map 104. The lease includes use of an access road from Riverview Road, the crusher run parking lot and a fifteen-foot wide strip of land parallel to the access road. MES maintains the land base that includes the crusher run parking area, access road, electrical service to the pier, pier, snow removal and grass cutting. The landlord pays property taxes and insurance. The subject is shown on a Maryland Environmental Services plat titled: Hart Miller Island Land Base, December 18, 1997. A copy of the plat is included in this report.

RECENT HISTORY AND OWNERSHIP

The subject was part of the Southworth's Marina. In the mid 1980s, MES leased portions of the property to provide a land base for its Hart-Miller Island operations. Circa 1992, MES constructed a 122-foot pier to provide adequate docking for its boats. MES permits the landlord to dock one boat at a slip designated by MES. The current 5-year lease expires June 30, 2002. Current rent is $21,600. MES intends to extend the lease an additional 5 years. To the best of our knowledge, there have been no other open market real estate transactions involving the subject within the last three years, other than on-going leasing activities. Good title is assumed.

PROPERTY RIGHTS VALUED

To estimate market rent, we valued the fee simple interest in the property, including the landlord's use of the MES pier.

SCOPE OF THE APPRAISAL ASSIGNMENT

According to the *Uniform Standards of Professional Practice, Appraisal Statement of:* The scope of this assignment includes describing the extent of the process of collecting, confirming, and reporting data. The purpose of this requirement is designed to protect third parties whose reliance on an appraisal report may be affected by the extent of the appraiser's investigation that includes the process of collecting, confirming, and reporting data. In preparing this appraisal report, the following sources of data were used:

1. A search of Baltimore County's land records, Spec Print Reports, Comps, and our appraisal database for comparable land, improved sales, and rentals within the subject's general marketing area.
2. Discussions with property managers, property owner's representative, real estate brokers and investors, in the subject market area.
3. Valuation: For this appraisal, we considered all three approaches to value and fully developed the Sales Comparison Approach. Due to the lack of good comparable rents it was necessary to estimate market rent based on a fair return on the property's value and operating cost. Since the property is essentially land, the cost approach would not provide a meaningful indication of value. Properties like the subject are not considered investment quality properties and are typically purchased for by an owner-user. This and the lack of rental data preclude the use of the income capitalization approach.
4. The client provided lease information, site plan, and access to the property.
5. Photographs of the subject as well as improved comparable sales and rentals were taken by Page Appraisal at various times.

DEFINITIONS

Market Value

There are a variety of market value definitions because of the varied decisions in different legal jurisdictions. Each definition carries its own parameters and presumptions. For this appraisal, the following definition of market value is used.

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

a. buyer and seller are typically motivated;
b. both parties are well informed or well advised, and each act in what he considers his own best interest;
c. a reasonable time is allowed for exposure in the open market;
d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."[1]

Exposure Time. The statement on Appraisal Standards No. 6 was adopted by the Appraisal Standards Board of The Appraisal Foundation on September 16, 1992. The exposure time is defined in this statement as follows:

> "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. The estimate may be expressed as a range and can be based on one or more of the following: 1) statistical information about days on the market; 2) information gathered through sales verification; and 3) interviews of market participants."

Fee Simple. Fee simple is defined as "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by governmental powers of taxation, eminent domain, police power and escheat."

Leased Fee. Landlord's (lessor's) interest in a fee estate, bound by a stated term and other conditions of a lease or leases conveying rights, usually use and occupancy, to one or more tenants (lessees).[2]

Leasehold Interest. A leasehold interest is held by a tenant, who acquires rights to the use and occupancy of a property subject to various obligations, including payment of rent. A leasehold interest is said to have value when contract rent is less than market rent.

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[1] As per OCC Regulations (paragraph 34.42f) Chapter I of Title 12 of the Code of Federal Regulations. Also, the definition is found in the *Uniform Standards of Professional Appraisal Practice.*

[2] Source: Definitions for fee simple, leased fee and leasehold value are from *The Appraisal of Real Estate*, Twelfth Edition, Appraisal Institute, 2001.

Market Rent[3]
Market rent is the rental income the property would most likely command currently in the open market.

DATES OF APPRAISAL

Effective Date of Appraisal. There are three categories of effective dates, retrospective, current, and prospective. In retrospective appraisals, the effective date of the appraisal/value is prior to the date of the report. A retrospective date of appraisal/value may be required for property tax matters, estate or inheritance tax matters, condemnation proceedings, suits to recover damages, and other similar situations.

Current appraisals/values occur when the effective date of appraisal/value is contemporaneous with the date of the report. Since most appraisals require current value estimates, the importance of specifying both the date of the report and effective date of the analysis is sometimes lost.

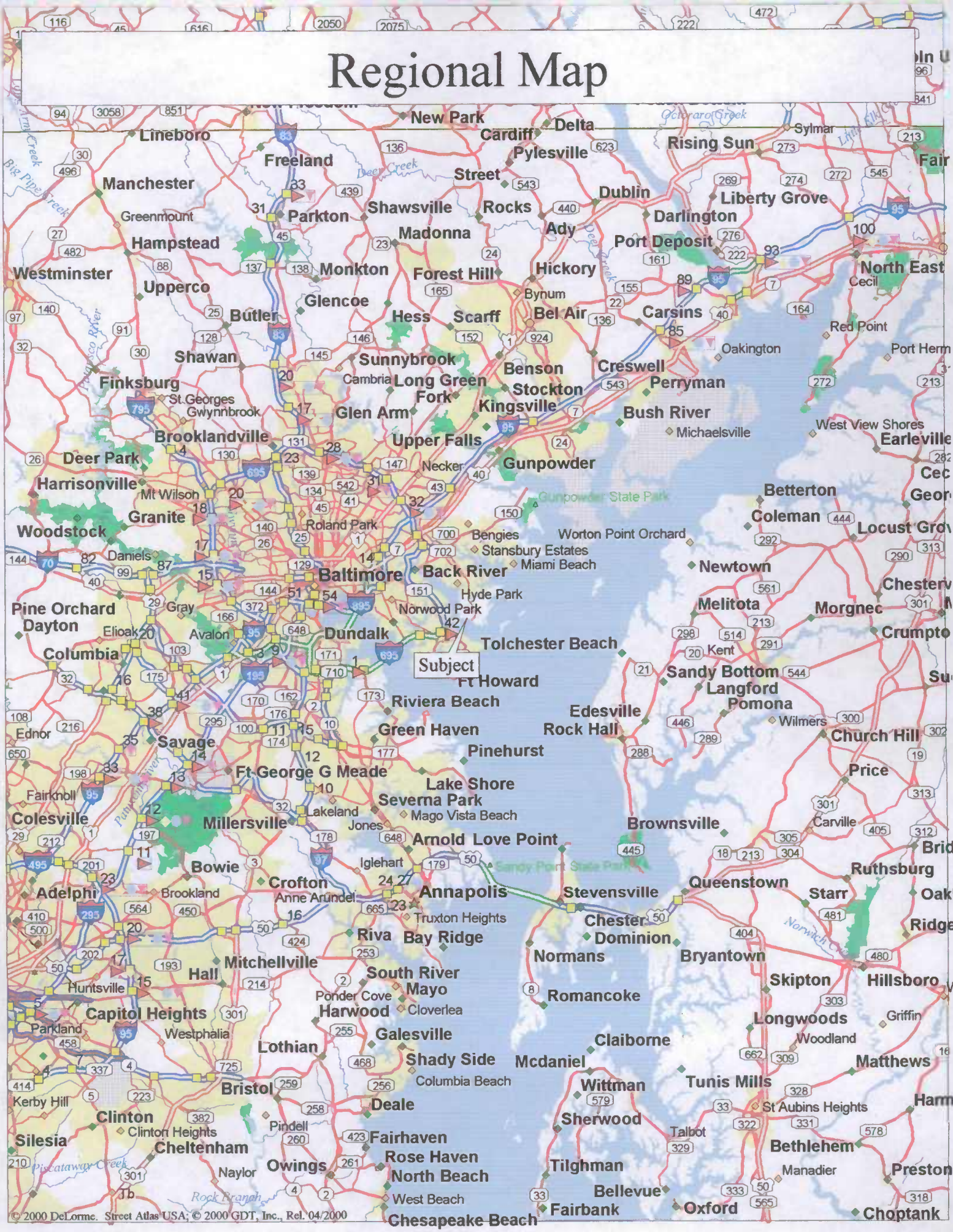
In prospective appraisals/values, the effective date of the appraisal/value is subsequent to the date of the report. A prospective appraisal/value may be required for valuation of property interests related to proposed developments, proposed improvements, proposed renovations and for other reasons.[4]

Mr. Bernard A. Page, Jr. and Mr. David J. January inspected the subject on various occasions including August 13, 2001. This date serves as the effective date of our appraisal.

Date of the Report. This is a self-contained appraisal report that communicates the results of a completed appraisal. This appraisal report was completed and delivered on or about July September 11, 2002; this is considered the date of the report.

[3] The market rent can be found in The Appraisal of Real Estate, Tenth Edition, 1992, Page 126.
[4] Based upon Uniform Standards of Professional Appraisal Practice, Statement on Appraisal Standards Numbers 3 and 4, Appraisal Foundation, 2001.

Regional Map



MARKET AREA TRENDS, BALTIMORE METROPOLITIAN AREA

The Baltimore MSA is located in the Boston, New York, Philadelphia, Washington, D.C. and Richmond Corridors. Baltimore's Metropolitan Statistical Area includes Baltimore City, a separate political entity and Baltimore, Anne Arundel, Harford, Carroll, Howard, and Queen Anne's Counties. Baltimore is within a 40-mile commuting distance of Washington, D.C. and Arlington, Virginia and is centrally located in the East Coast "megalopolis". A map indicating the property's location with respect to the surrounding region is presented on the preceding page.

The Baltimore MSA fronts on the Chesapeake Bay, and the Susquehanna and Patapsco Rivers. Baltimore City's Inner Harbor and Port have good deep-water access to the Chesapeake Bay and Atlantic Ocean via the Patapsco River and the Chesapeake-Delaware Canal. The Port of Baltimore is the most inland port on the East Coast, 200 miles closer to the Midwest than any other port.

Government

Maryland's State Capital, Annapolis, is located in Anne Arundel County. Maryland has an elected governor and State Legislature. Each of the State's 47 legislative districts elects one senator and three delegates for four-year terms. The local government is centered in the State's 23 counties and in the City of Baltimore. Baltimore City is not in any county, nor is it a county itself, but has a representative to the State Legislature and the same governmental powers as a Maryland County.

Population

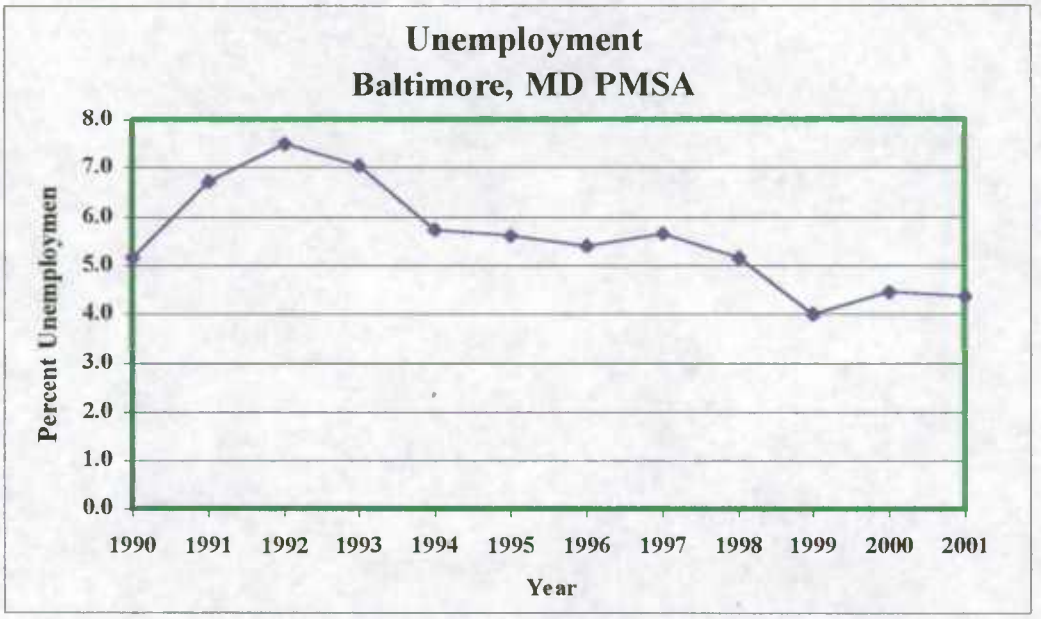
Baltimore City and the five surrounding counties have a projected combined population of 2,512,9431 that is approximately 47% of the State's total population. As shown below Baltimore County has the largest population at 754,292, followed by Baltimore County with 651,154 residents. Baltimore County nearly encircles Baltimore City and thus has been the first area to feel the outward migration from Baltimore City. While Baltimore City's population has declined in the last three decades, all of the surrounding counties have increased in population. Howard County growth rate was 32.3% between the 1990 and 2000 census. During the same period, Baltimore City's population declined 11.5%. A demographic profile of Baltimore City and its 5 nearby counties follows:

Demographic Profile *							
State/County	Maryland	Anne Arundel	Baltimore City	Baltimore County	Carroll	Harford	Howard
Population	5,296,486	489,656	651,154	754,292	150,897	218,590	247,842
% Change 1990-2000	10.8%	14.6%	-11.5%	9.0%	22.3%	20.0%	32.3%
Housing Units	2,145,283	186,937	300,477	313,734	54,260	83,146	92,818
Homeownership Rate	67.7%	75.5%	50.3%	67.6%	82.0%	78.0%	73.8%
Households	1,980,859	178,670	257,996	299,877	52,503	79,667	90,043
Median Household Income	$45,289	$56,147	$27,713	$44,715	$55,906	$52,231	$68,024
* Source 2000 Census							

Employment

Commuting is a strong factor in the Baltimore Metropolitan area. City dwellers commute throughout the Baltimore Washington, D.C. area to work each day, and there is a large influx of County residents into the City.

Several studies place the Baltimore Metropolitan area high in job and business growth, third nationally in new business starts. The employment market in the Baltimore Metropolitan area grew rapidly in the 1980's before declining during the recent recession. Like many areas along the East Coast, the unemployment rate increased during the recession of the early 1990's. In 1992, the unemployment rate was above 7.5%. As the following graph illustrates that employment improved during the following years.



As shown below recent unemployment rates have ranged from a low of 4.5% in June to 5.6% in March 2002. The twelve-month average was 4.94% with a 0.45% standard deviation. The rate of change is considered relatively moderate with a 9.11% normalized standard deviation. The upward trend has stabilized, with peak unemployment occurring in March 2002.

Percentage Unemployment, Monthly For The Past Year											
Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
4.5	4.5	4.5	4.6	4.8	4.7	4.6	5.5	5.3	5.6	5.5	5.2
2001							2002				

Market analysts are predicting that Baltimore and Washington, D.C., only 40 miles apart, will become one of the nation's major high-tech centers. Like North Carolina's research triangle, Boston's Route 128 and California's Silicon Valley, the Baltimore-Washington, D.C. area experienced a development boom in the 1980's that closed the gap between the two cities. Biotechnology, electronics, telecommunications, aerospace and weapon design comprise the high-tech activity in the region.

Unlike other metropolitan areas, the Baltimore-Washington, D.C. region is diversified in high tech growth and has the highest concentration of scientists and engineers in the United States. Proximity to NIH (National Institutes of Health) is a strong factor in attracting scientific development in the area. Infill between the two MSA's is taking place in what is known as the Baltimore-Washington, D.C. Corridor.

Jobs. Local industry provides a diversified and broad economic base. For example, Baltimore County's largest industry is retail. It represents only 8.15% of employment of the County's industries. The next largest employer is health services (5.05%), followed by finance (4.51%). The smallest sector is mining (0.04%), followed by agriculture (0.49%). The following a complete industry breakdown for Baltimore County:

Industry Profile, Baltimore County		
Employed persons	366,276	--
Agriculture	3,581	0.49%
Mining	318	0.04%
Construction	26,201	3.58%
Manufacturing, non durable goods	18,265	2.49%
Manufacturing, durable goods	30,300	4.14%
Transportation	15,438	2.11%
Communications	9,923	1.35%
Wholesale	17,298	2.36%
Retail	59,686	8.15%
Finance, insurance and real estate	33,047	4.51%
Business & repairs	18,077	2.47%
Personal services	8,398	1.15%
Entertainment and recreation	5,128	0.70%
Health	36,977	5.05%
Educational services	28,740	3.92%
Other professional services	26,319	3.59%
Public administration	28,580	3.90%
Total	366,276	100.00%

As shown above, Baltimore County's jobs are spread over many industries, with no industry dominating the market. This provides some economic stability. Most of Baltimore County's employed persons (77.29%) work in the private sector. Government provides 17.53% of the City's jobs, with self-employed and unpaid family workers providing the remaining jobs.

Data from the Bureau of Labor Statistics shows the Baltimore PMSA has continued to create new jobs for the area's growing labor force. From May 1992 to May 2002 employment level increased from 1,185,475 to 1,291,879 workers, an 8.98% increase. Overall the Baltimore PMSA job market appears to be good, with reasonable prospects for continued job growth.

In conclusion, there are more new jobs in the Baltimore Metropolitan area due to a good mix of industries and positive growth. Consulting, computer services, engineering, accounting and other business-services companies are growing to meet the needs of the federal government but also biotechnology firms and other fast growing companies.

Transportation

A network of modern, well-planned transportation systems serves the entire Metropolitan area providing for the needs of residents, workers, local businesses and import/export trade. The major transportation systems of the Baltimore Metropolitan area include the Interstate Highways, new rapid transit systems, the MTA bus system, six railroads, water transport through the Port of Baltimore and three air terminals.

Baltimore is in the I-95 Corridor that runs from Maine to Florida. Two major beltways, the Baltimore Beltway (I-695) and the Washington Beltway (I-495), are a part of the I-95 system. Interconnecting spurs, tunnels and bridges allow traffic to bypass the Baltimore Central Business District. The 33-mile Baltimore Beltway (I-695) rings the City with interchanges at all main arteries. The John F. Kennedy Highway (I-95) connects Baltimore directly with New York via the New Jersey Turnpike. I-795 to the northwest provides access to northwest Baltimore County and to Carroll County. The Jones Falls Expressway (I-83) has recently undergone major renovation/rehabilitation and widening. This high speed, six-lane highway travels from the CBD north to the Beltway.

The Baltimore Harrisburg Expressway (I-83) travels from the Beltway north to central Pennsylvania and connects with the Pennsylvania Turnpike. I-70 to the west is the route to Western Maryland and extends into Western Pennsylvania. The Harbor Tunnel (I-895), Fort McHenry Tunnel (I-95) and Key Bridge (I-695) provide a rapid bypass for north/south traffic through the Baltimore area. The Baltimore-Washington Expressway provides direct and rapid access to Baltimore Washington Airport (BWI) and nearby Washington, D.C. I-395, which is an eight-lane thruway that links the center of Baltimore City with I-95 to the south.

The Mass Transit Administration (MTA) has developed a Baltimore Regional Rapid Traffic System to accommodate the daily flow of travelers to and from the City. This system provides modern, underground and above ground rapid rail transportation in the Metropolitan area with the first section extending from the center of the City to Owings Mills to the northwest, with ten interim stations. The subway line now extends from Center City to the Johns Hopkins Hospital Complex. In addition the Light Rail serves BWI Airport. MTA bus routes serve all of Baltimore City and Baltimore County. A rapid rail line is now in place from Hunt Valley in Baltimore County to Linthicum in Anne Arundel County.

The Metropolitan area enjoys excellent railways for passengers and freight transport service. Commuter trains supplement the subway and bus service between Baltimore and Washington, D.C. Amtrak has developed the nation's first passenger rail station at an airport, providing service between BWI, downtown Baltimore and Washington, D.C. Amtrak Metro Liner connects Baltimore to New York within 2-1/2 hours. Freight transport is provided by the Chessie System (B&O, C&O and part of the CSX System), ConRail, Norfolk and Southern, Eastern Shore Railroads, Maryland and Delaware Railroads and the Maryland Midland Line.

The railroads work hand-in-hand with the Port facilities to provide one-day shipment to about 40% of the nation's industrial market. Baltimore is 200 miles closer to the Midwest than any other East Coast City, providing a 12% savings in freight transportation to companies using Baltimore as a distribution center.

The Maryland Port Authority has revitalized the Port of Baltimore into an up-to-date facility with modern terminals at Dundalk, Curtis Bay, Locust Point, and the Canton Yards. Baltimore's 45-mile harbor front is the fifth largest foreign tonnage port in the United States and the second largest container shipping port on the East and Gulf Coast. Baltimore is the leading port for exports to the Middle East. The Port of Baltimore has expanded the Seagirt Marine Terminal, which enables the Port to handle an additional 2.5 million tons of container cargo annually. Approximately 3,000 cargo ships call on Baltimore's Port each year. The Port has a channel depth of 42 ft., is generally ice-free and approachable from the south via the Chesapeake Bay or from the north, via the Delaware Bay and Chesapeake - Delaware Canal.

Domestic and international air transport is conveniently accessible nine miles from downtown Baltimore at the Baltimore Washington (BWI) International Airport via Russell Street and the Baltimore Washington Expressway. Combined with Washington National Airport and Dulles International Airport, Maryland is within the United State's fourth largest air travel market, due largely to the arrival of Southwest Airlines and improved economic conditions. An additional 42 airfields around the State provide executive and light commercial aircraft services. All of Baltimore's transportation systems are modern, functional and adequate to handle the local, regional and international transportation demand of this major metropolitan area.

Education

Maryland has a State Department of Education. State Government guides public education at all levels but each county and Baltimore City implement the education programs. State and county taxes fund public education, with the real property tax providing most of the revenues. Per capita spending on education varies from county to county but is consistent within counties. Over 30 colleges and universities are located in the Baltimore area including Johns Hopkins University, several campuses of the University of Maryland, Towson University, the University of Baltimore, Loyola College, Goucher College, St. Mary's Seminary, the College of Notre Dame of Maryland, Morgan State University, Coppin State College, Maryland Institute of Art and the Peabody Conservatory. There are also eight, two-year community colleges in the Metropolitan Baltimore area with programs filling the needs of the business community.

Johns Hopkins University and the University of Maryland are internationally known for their professional and medical schools, bio-medical research and teaching hospitals. Johns Hopkins' 138-acre Bayside Research Center is a site where research institutions and private firms can work shoulder-to-shoulder in the biotechnology industry. The space telescope on the Johns Hopkins' University Homewood Campus has attracted scientists to Baltimore from around the world. The University of Maryland Hospital has a new center for biotechnology and a world acclaimed Shock Trauma Center.

Government Initiatives

Governor Parris N. Glendening initiated his Smart Growth anti-sprawl plan; the law was passed in October 1998. This law prohibits growth and protects open space by channeling development into existing communities and by curbing state spending that encourages growth. In the fiscal 2000 budget, several real estate development projects did not pass Governor Glendening's Smart Growth plan.

Business Growth

Market analysts are predicting that Baltimore and Washington D.C., only 40 miles apart, will become one of the nation's major high-tech centers. Like North Carolina's research triangle, Boston's Route 128 and California's Silicon Valley, the Baltimore-Washington D.C. area experienced a development boom in the 1980's, which closed the gap between the two cities. Biotechnology, electronics, telecommunications, aerospace and weapon design comprise the high-tech activity in the region. Unlike other metropolitan areas, the Baltimore-Washington D.C. region is diversified in high tech growth and has the highest concentration of scientists and engineers in the United States. Proximity to NIH (National Institutes of Health) is a strong factor in attracting scientific development in the area. Infill between the two MSA's is taking place in what is known as the Baltimore-Washington, D.C. Corridor.

Maryland's biotechnology industry should experience growth in 2001. Two large biotechnology firms merged in 1998, creating a powerhouse in a new field called pharmacogenomics. Other fields, microbiology, pharmacology, and genetics are also growing in the Baltimore MSA.

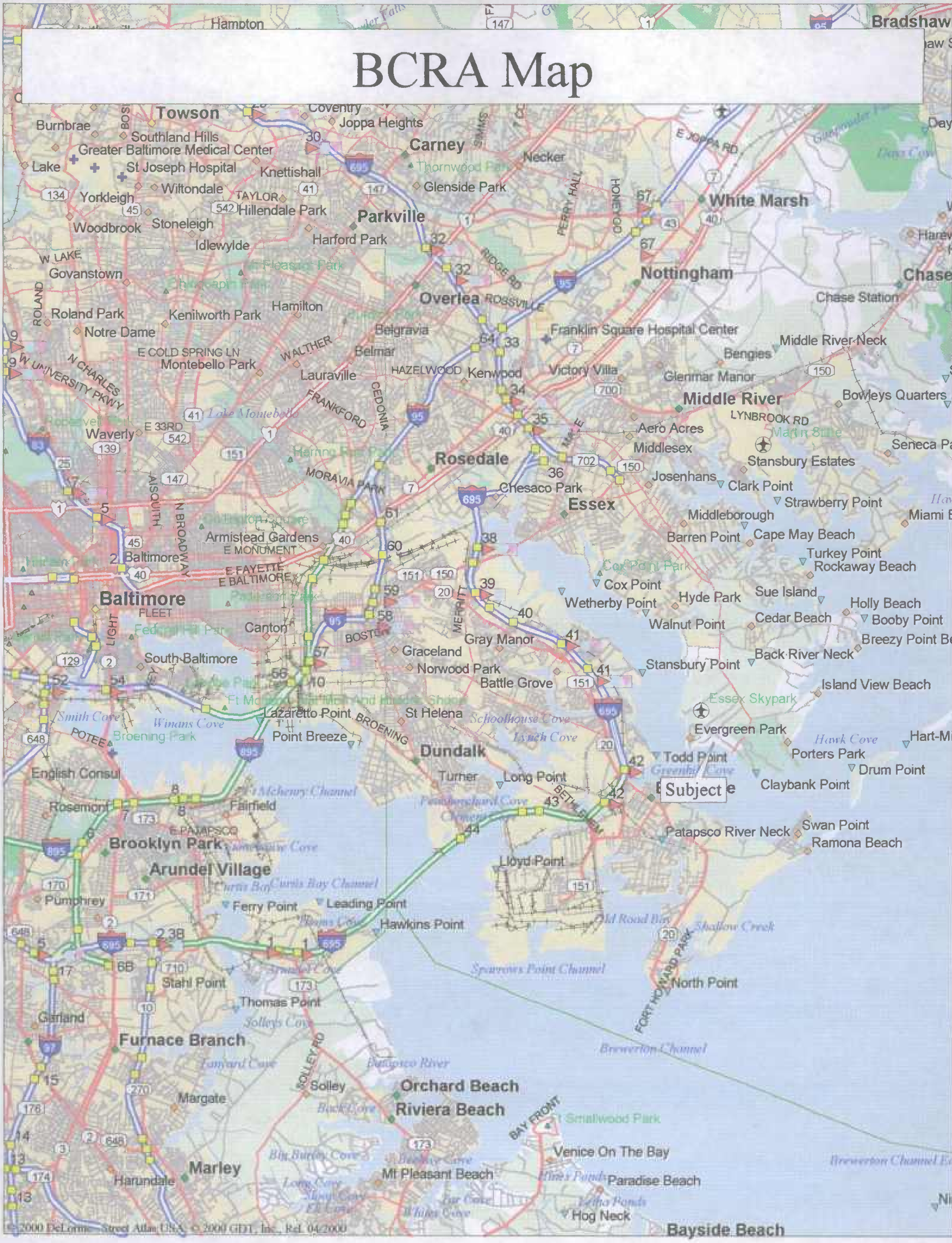
Another growth area is the telecommunications industry. In the pipeline is the possible merger of two local telecommunication companies, Lockheed Martin Corporation and Comsat Corporation. According to Regional Economic Studies Institute, they forecast 3.5% growth in computer technology, biotechnology, and pharmaceuticals in 1999. Local employers are establishing training programs to recruit new employees as well as retain workers in order to keep ahead of the growth factor. An economist at the RESI forecasts wage levels to increase as a result of the demand for trained workers for these specialized areas.

On the other hand, manufacturing in the area will remain the same, with little growth. Manufactures in Maryland employed 215,000 workers in 1982 and the 1998 projected figure is 179,000. However, according to a manufacturing consultant in Baltimore, manufacturing could get some help. State agencies are trying to come up with tax incentive programs, technology investments and marketing to help rebuild the local manufacturing base.

Conclusions

The surrounding five counties are economically sound with a diversified economic base and favorable East Coast location. Baltimore City continues to experience declining population base as residents move to more affordable and safer suburban neighborhood.

BCRA Map



Hampton
Bradshaw
Towson
Burnbrae
Southland Hills
Greater Baltimore Medical Center
St Joseph Hospital
Lake
Wiltondale
Yorkleigh
Woodbrook
Stoneleigh
Idlewylde
Govanstown
Hillendale Park
Coventry
Joppa Heights
Carney
Knettishall
Glenside Park
Necker
Parkville
Harford Park
White Marsh
Nottingham
Chase
Chase Station
Days
Overlea
Hamilton
Roland Park
Notre Dame
Kenilworth Park
Belgravia
Belmar
Montebello Park
Lauraville
Kenwood
Franklin Square Hospital Center
Victory Villa
Bengies
Middle River Neck
Glenmar Manor
Middle River
Bowleys Quarters
Aero Acres
Middlesex
Seneca Park
Stansbury Estates
Josenhans
Clark Point
Strawberry Point
Waverly
Rosedale
Chesaco Park
Essex
Middleborough
Miami Beach
Barren Point
Cape May Beach
Turkey Point
Rockaway Beach
Armistead Gardens
Baltimore
Canton
Cox Point
Wetherby Point
Hyde Park
Sue Island
Holly Beach
Booby Point
Walnut Point
Cedar Beach
Breezy Point Beach
Gray Manor
Graceland
Norwood Park
Battle Grove
Back River Neck
Stansbury Point
Island View Beach
South Baltimore
Lazaretto Point
St Helena
Essex Skypark
Evergreen Park
Point Breeze
Dundalk
Turner
Long Point
Todd Point
Porters Park
Hart-Miller
Drum Point
Claybank Point
Subject
Broening Park
English Consul
Fairfield
Rosemont
Brooklyn Park
Arundel Village
Patapsco River Neck
Swan Point
Ramona Beach
Lloyd Point
Pumphrey
Ferry Point
Leading Point
Hawkins Point
North Point
Stahl Point
Thomas Point
Garland
Furnace Branch
Solley
Orchard Beach
Riviera Beach
Margate
Venice On The Bay
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Sparrows Point Channel
Brewerton Channel
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BALTIMORE COUNTY REGIONAL ANALYSIS

Relative Location and Environment

Baltimore County is located in the Baltimore metropolitan area, 44 miles northeast of Washington, D.C., and 392 miles southwest of Boston. It is the northern most metropolitan county, bounded by Harford County to the East, Carroll County to the West, Pennsylvania to the North and surrounds Baltimore City to the East, West and North. According to the year-end edition of *Brief Economic Facts,* the county encompasses 598 square miles with an elevation that ranges from 200 to 700 feet. *A map identifying the location of the County in relation to the MSA is located on the facing page.*

Population

According to the 2000 U.S. Census Baltimore County is one of the most populous of the Immediate Metropolitan Statistical Area (IMSA).[4] The County has historically reported *29% to 31%* of the total IMSA population from 1970 to 2000 and is second only to Baltimore City that has ranged from *27%* to *44%* over the same period. However, the trends indicate that Baltimore County has not experienced the explosive growth of the surrounding counties of Howard *(32.3%)*, Harford *(20%)* or Carroll *(22.3%)*. The surrounding counties posted slight decreases from the 1990 growth levels due to the population changes but still far outpaced Baltimore County's 9% population growth.

Although Baltimore County commands the highest share of households (31.3%) in the IMSA, overall growth from 2000 to 2005 is expected to be outpaced by Carroll, Harford and Howard for a number of reasons indicated as follows:

1. Columbia (Howard County) a planned city in the 1970's has attracted a middle and upper income population (from Baltimore City and Baltimore County), due to its close proximity to I-95 (a major commuter route to Washington, D.C.), and superior infrastructure and lower crime. Harford and Carroll Counties have also captured a larger share of the MSA growth due to the outward migration from southern Baltimore County.

2. Special interest groups have enacted legislation that has and will impact new residential development in the northern half of the County, one of the last undeveloped areas. The other Counties do not have such restrictive land development legislation in effect allowing more affordable development.

3. Southeast and Southwest Baltimore County's proximity to Baltimore City, has attracted many of the problems associated with the deteriorating urban center such as crime, drugs, a large indigent population and a declining infrastructure.

[4] The immediate metropolitan area is defined as Baltimore City and its 5 nearby counties, Anne Arundel, Howard, Carroll, Baltimore, and Harford.

Transportation

Baltimore County is served by an abundance of highways, airports, rail lines and water transportation. The County's highway system comprises a number of major arteries all of which are accessible to I-695, the Baltimore Beltway, a circuitous highway (originally opened in the early 1970s), that surrounds Baltimore City and provides connections to roads, rails, air flight and water transportation.

Efforts are under way to further improve commuter and business transportation well in to the 20th century. Projects such as the extension of the Light Rail line and Baltimore subway to the area's two PUDs are intended to alleviate traffic congestion. On the commercial side the railroads have and will continue to forge relationships with the Port of Baltimore to provide full service operations to International carriers for export and import services. When coupled with the extensive road network and proximity to I-95, this will result in positive changes to the economic base in and around the PUDs that in turn will influence land use patterns. Areas outside the PUDs will continue to experience the negative effects of a declining infrastructure.

Economics

Historically, the economy of Baltimore County has always been directly related to its proximity to Baltimore City although within the past 15 years, this has changed slightly. The County is now more of an economic force on its own, rather than just a "bedroom suburb" for Baltimore City. Although there is still a strong dependence on the City for a relatively high percentage of employment, the County's business base has become much more diversified, stronger, and larger. Through strategic planning and various economic incentives, the County has attracted numerous industrial, research and commercial firms that have developed a significant level of employment.

Baltimore County's pattern and diversity of economic growth is tied directly to the directives outlined in its Growth Management Plan that divides the County into distinctive growth areas that are Owings Mills, located in the northwestern corridor along I-795, and White Marsh, adjacent to I-95 in the northeastern section. Designated as Town Centers in 1979, each is identified as an employment intensive area surrounded by medium and high density residential development with extensive transportation networks, regional shopping, and office centers.

Located on 1,500 acres between Baltimore and Harford Counties, White Marsh was Baltimore County's first true planned community. The White Marsh Business Center has 550 acres zoned for corporate office, research and development, and light manufacturing. White Marsh has accounted for over 30% of Baltimore County's labor growth during the past ten years and it is expected to account for over 50% of net growth in the labor force between 1995 and 2000.

Major companies already located there include IKEA, Time Warner, American Bank Stationary, and U. S. Health, Inc. White Marsh Mall is the region's largest shopping center with five major department stores and over 200 specialty shops. Residential development at White Marsh consists mainly of townhouses, garden style apartments, and condominiums.

Located on over 13,000 acres, the Owings Mills Town Center is expected to have the highest concentration of high-tech industry and young professional inhabitants (over 17,000) by the 21st century. There are over 6,500 acres available for industrial, residential and office/technology uses. The area's numerous office parks are already home to several large corporations including Blue Cross/Blue Shield of Maryland, T. Rowe Price, Alexander and Alexander, and Baltimore Life Insurance Company. The Owings Mills Mall is the region's most up-scale mall with a wide assortment of trendy, higher priced department stores and specialty shops.

The Owings Mill area, which is one of the County's most affluent communities, has an abundance of residential construction of all types. Expensive, amenity-filled, planned communities prevail with townhouses and large, luxurious single-family residences predominant.

Closely tied into the economy of Baltimore County is its industrialization with primarily light industrial, research and development, and warehousing and distribution type uses. These uses may be found in a variety of industrial parks along the Baltimore Beltway (I-695) and Interstate 83. The County has approximately 26 industrial and business parks with various lot sizes, utilities and amenities. In addition to White Marsh and Owings Mills, some of the largest office/industrial parks include Hunt Valley Business Community (450 acres), Meadows Business Park (475 acres), Sparrows Point Business Park (400 acres), Rutherford Industrial Park (280 acres) and Loveton Center (245 acres).

Like the rest of the country, Baltimore County's economic base is growing in the areas of service, finance, real estate and retail trade. The County has a civilian labor force of 394,048 with 85% employed in the private sector and 15% employed in government.

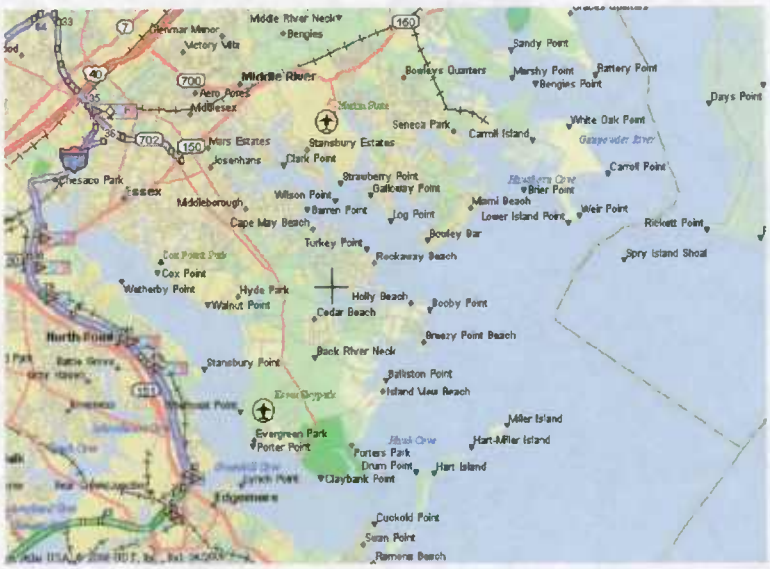
Conclusions

The County includes areas in various development stages from growth (Owings Mills and White Marsh) to stable areas (Towson), to declining (southeast and southwest) Baltimore County. Residents will move to more desirable locations such as Owing Mills and White Marsh areas. These PUD's will also (through government intervention) serve as employment centers that will create the necessary synergy to foster additional growth and development. At the same time other areas such as Towson with an established residential base will remain stable. Obviously, with the diversity in the market also come the changes in the real estate markets. Areas in or near the PUD's, like Owings Mills, will experience lower vacancy rates and increasing rents as compared to those areas outside government involvement such as south and east and west Baltimore.

Local Area Map

IMMEDIATE ENVIRONS

The subject property is located in eastern Baltimore County in an area referred to as Essex. Area boundaries are generally defined as Martin Boulevard, Route 700 to the north I-695 and Southeast Boulevard, Route 702 to the south, the Chesapeake Bay to the east and Pulaski Highway, Route 40 to the west. The subject property is located on a peninsula with Back River on the south, Chesapeake Bay on the east and Middle River on the north.



Based on Zip Code 21221, the projected 1999 population is 46,167 persons. The projected 1999 median income is $36,737. Most of households (67.9%) have incomes under $50,000. Approximately 27.7% of the households have incomes from $50,000 to $100,000 and 4.3% of the households have incomes over $100,000. The projected median number of households is 18,742.[6]

Major access to the area is provided by the east and west bound lanes of Interstate I-695 (Baltimore Beltway), which links to the subject's immediate area by two ramps: Exit 35 connects to Route 40, Pulaski Highway and Exit 36 connects to Southeast Boulevard, Route 702. Other primary north/south streets include Rossville Boulevard, Stemmers Run Road, Back River Neck Road and Martin Boulevard. Primary east/west streets include Eastern Boulevard, Mace Avenue and Pulaski Highway.

These arteries accommodate a variety of commercial users that serve the surrounding residential communities. Nearby commercial activity include: fast food restaurants, service stations, shopping centers, office buildings, and recreational uses. Noteworthy landmarks include Pulaski Industrial Park, Chesapeake Industrial Park, Marshfield Business Park, Middlesex Shopping Center, Martin Plaza, Hawthorne, Riverdale, and Giant at Stemmers Run. Back River Neck Road and Southeast Expressway (Route 702) provide access to the peninsula that terminates at Rock Point on the Chesapeake Bay. Commercial activity tends to locate along the major collectors that serve the peninsula including Back River Neck and Turkey Point Roads.

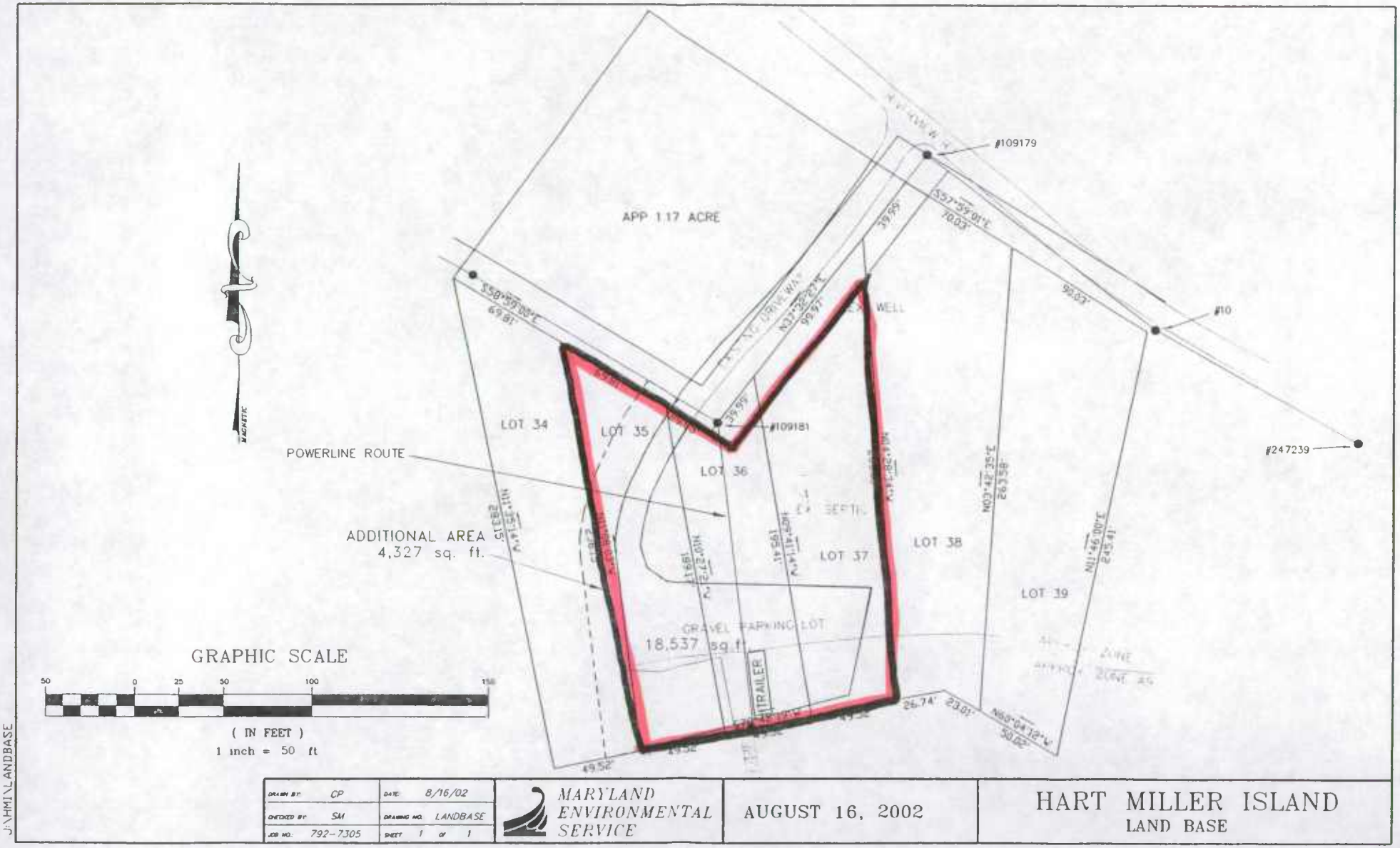
The peninsula's primary routes, Southeast Boulevard, Back River and Turkey Point Roads experience high traffic volume, especially Back River Road and the Southeast Boulevard that provide the only access to the lower peninsula. After reaching Eastern Avenue, the transportation network provides easy access to major employment centers including Downtown Baltimore, White Marsh Business Community, Pulaski Industrial Park, Marshfield Business Park, Glen L. Martin Airport, and Lockheed Martin.

[6] Source: Information Decision Systems, CACI, November 2001

The subject's area is convenient to educational and recreational facilities. Local schools include Hyde Park Elementary School, Sandlewood Elementary School, Deep Creek Elementary School, Deep Creek Middle School, Turkey Point Middle School, Chesapeake High School, and Sussex Elementary School. Waterfront communities dominate the area and most provide good water access. The area is served by numerous marinas and boat launches. Note worthy landmarks include Essex Sky Park (airport), Rocky Point Park, Rocky Point Golf Course, and the historical Ballestone Manor House.

Metropolitan water and sewer serve most of the area. However some of the remote waterfront areas still use well and septic systems. Often smaller size lots are combined to provide sufficient area to support septic fields and wells. Currently the subject's immediate area uses well and septic, but sewer is scheduled for 2003-2004.

We conclude the area the area has the necessary infra structure that is needed to support the area's residential and business community. Area growth is limited by the availability of water and sewer. In addition, wet lands and critical areas impact local development.



DRAWN BY: CP	DATE: 8/16/02	MARYLAND ENVIRONMENTAL SERVICE	AUGUST 16, 2002
CHECKED BY: SM	DRAWING NO. LANDBASE		
JOB NO.: 792-7305	SHEET 1 OF 1		

HART MILLER ISLAND
LAND BASE

J:\HMI\LANDBASE

SITE ANALYSIS	
Immediate Environs:	The subject is part of a residential water oriented community, at the mouth of Back River.
Access:	Riverview Road provides access to the site and connects to Back River Neck Road, the primary collector serving the lower peninsula.
Site Area:	Three lots containing approximately 28,537 square feet or 0.655 acre.
Shape:	Irregular (see facing exhibit)
Topography:	The site slops downward east to west towards the river.
Water Frontage	Each lot's water frontage is 49.52 feet or a total 148.56 feet.
Utilities:	A well and septic system is located on Lot 37. The area is scheduled for sewer n 2003-2004. Publicly owned, private utility companies provide electricity, and telephone service.
Easements:	We were not provided a title report. When we inspected the property, there were no apparent adverse easements or encroachments. Our appraisal assumes the subject's title is good.
Flood Hazard:	Like most waterfront properties, the subject is located in a Flood Hazard area, according to Flood Insurance Rate Map 240010 0445 B, dated March 2, 1981.
Site Improvements:	The site is improved with crusher run access road, parking area, and pier. The 122-foot pier was constructed by MES, who allow the landlord the use of one slip. The pier reverts to the property owner when the lease terminates.
Zoning:	RC-5 (Resource Conservation) This zoning was established to implement the Chesapeake Bay Critical Area Criteria (CBCAC). Single-family detached dwellings are permitted. New construction must meet CBCAC.
Remarks:	The subject is plated as three waterfront lots. We discussed the development potential of the subject with Glenn Schaffer of the EPA and a representative of permits and zoning. Based on these conversations, we conclude the land could support a maximum of two building sites because of CBCAC restrictions, topography, and zoning requirements. Limitations associated with septic system requirements are mostly offset by the availability of public sewer in approximately two years. In our analysis, we assumed a rounded 74 feet of water frontage for each of the two lots; and the existing driveway provided shared access.

TAXES AND ASSESSMENT ANALYSIS

The property is assessed 2002/2003 fiscal year as follows:

Assessments and Taxes					
Property		Full Cash Value January 1, 2000			Phase-In Value
Tax Map	Parcel/Lot	Land	Improvements	Total	July 1, 2002
104	169 / 34-36	$10,660	$0	$10,660	$10,660
104	169 / 37-39	$106,360	$40,220	$146,580	$146,580
	Total	**$117,020**	**$40,220**	**$157,240**	**$157,240**
Estimated Real Estate Taxes					
	Baltimore County Tax Rate			$1.115	
	State Tax Rate			$0.084	
	Total Real Estate Tax Rate			$1.199 per $100 Assessment	
	Phase-in Value		**$157,240**	**Estimated Taxes**	**$1,885**

The State of Maryland has enacted a real estate assessment procedure called the Triennial Assessment. Under this procedure, the State of Maryland reassesses one-third of all properties each year. The increase, if any, in full cash value is phased in during a three-year period, one-third per year.

As of October 1, 2000, real estate taxes are no longer based on a 40% assessment-to-value ratio. Now real estate taxes are based on 100% of the property's full cash value. To offset this change and maintain the same tax burden, the tax rates were reduced 40%.

Current Tax Burden. The combined 2002 phase-in value of $157,240 when multiplied by the tax rate of $1.199/$100, results in a rounded $1,885 for real estate taxes. We attribute most of the tax burden to the subject's three lots (Lots 35, 36 and 37) because of its potential as two waterfront lots and 120-foot commercial grade pier. We attribute a rounded $1,100 of the estimated taxes to the subject. A copy of the subject's assessment is included in the *Addendum*.

HIGHEST AND BEST USE

The highest and best use analysis is the basis for market value estimates and is part of the minimum reporting requirements of the standards of professional appraisal practice. The highest and best use of the property is based on the data presented in the preceding section of this report. The analysis takes into consideration economic principles, existing land use regulations, the likelihood of any change in the existing land use regulations, the market demand for the property, the physical adaptability of the subject, neighborhood trends, and the conclusions of the highest and best use of the real estate.

Market values of land and the improved properties are both estimated under the assumption that potential purchasers will pay prices that reflect their estimation of the most profitable use of the land or the property as improved. According to The Appraisal of Real Estate, 11th Edition, highest and best use is defined as:

> *"...the reasonable, probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported and financially feasible and that results in the highest value."*

The definition of highest and best use applies specifically to the highest and best use of vacant land. In cases where the sites have existing improvements, the highest and best use may be determined to be different from the existing use. The existing use will continue until the value of the land and its highest and best use exceeds total value of the property under the existing use.

Vacant Site Versus Improved Land

It is necessary to analyze the effect of the existing improvements in order to determine whether they contribute to or detract from land value. Further consideration is if the existing improvements should be modified in order to increase their contribution to the overall value of the property.

Interim Use

There are some instances where highest and best use probably will change in the near future. The interim use such as farming, creation of a parking lot, retention of old buildings, etc. are sometimes a property's current highest and best use until future anticipated changes occur which produce a different and better use of the property.

Elements of Highest and Best Use

Highest and best use is an opinion resulting from judgment, it is not intended to be a fact that can be definitely proven. The concept of highest and best use in real estate appraising is the premise on which the value of the property is based. To estimate highest and best use, the following four elements as outlined by the Appraisal Institute are:

1. Physically possible use. What is the use of the site given its physical characteristics?

2. Permissible legal use. What uses of the site are permitted by zoning and deed restrictions?
3. Feasible use. Which possible and permissible uses will produce a net return to the owner of the site?
4. Highest and best use. Among the feasible uses which use will produce the highest net return or the highest present worth?

In arriving at the highest and best use, we applied the above test to the subject site: 1) as if vacant and available for development, and 2) as presently improved. It is important to note that the highest and best use of the land (or site) if vacant and available for use may be different from the highest and best use of the improved property. This occurs when the improvement is not an appropriate use, but it makes a contribution to the total property value in excess of the value of the site.

Legally Permissible. The subject site is zoned RC-5 a classification that fosters protection of the Chesapeake Bay Critical Areas. Construction of detached, single-family homes is permitted but, development must comply with zoning as well as CBCA requirements.

Physically Possible. As previously indicated in the "Site Analysis" section of this report, the subject is plated as three lots but CBCA and current zoning requirements limit its development potential to two residential waterfront lots. The existing driveway could provide access to each lot and each lot would have adequate water frontage of approximately 74 feet. Each lot could support a detached single-family dwelling.

Financially Feasible. In analyzing the most profitable use of a property such as the subject, many factors must be considered. Physical location, zoning classification, viability of the area, and the prevailing economic climate are essential elements that must be considered. There are many physically possible uses of the subject parcel given its physical characteristics. Single-family residential use dominates the immediate area and is the likely use of the subject.

Conclusion, Highest and Best Use, As if Vacant. Given today's real estate market, it appears the subject would likely be purchased for residential use. Though plated as three lots, the highest and best use is to reconfigure the land for use as two residential waterfront sites.

VALUATION

VALUATION PROCESS

In valuing property interests, we have at our disposal the three traditional approaches to value: cost, income, and sales comparison.

The Cost Approach, provides an indication of value by adding the land value estimate to the depreciated cost of the improvements. This approach assumes that a newly constructed building would have certain advantages over an existing building which is reflected in various forms of depreciation such as physical, functional, and/or economic obsolescence.

The Sales Comparison Approach is essential in almost every approach of the value of real property. The value estimated by this approach frequently is defined as the price at which a willing-seller would sell and a willing-buyer would buy, neither being under abnormal pressure. This approach involves collecting and analyzing recent sales of improved properties considered comparable to the subject. The market data provided was analyzed, and we selected those sales that were considered most similar to the subject. We then performed adjustments to relate the comparable transactions directly to the subject in order to develop an estimate of value.

In the Income Capitalization Approach, an investor is concerned with the present worth of future potential benefits of property ownership. This is generally measured by the net income that a fully informed investor is warranted in assuming the property will produce during the property's remaining useful life. Developing this approach involves deducting from potential Gross Income vacancy, fixed and variable operating expenses to arrive at net income that is capitalized using either direct or yield capitalization.

The focus of this appraisal is to estimate market rent for the subject, assuming a 5-year term. The cost approach would not produce a meaningful indication of value because the subject is essentially waterfront residential land. This type of property is typically purchased for single-family residential use and is not considered an investment type property. This and a dearth of comparable income and expense data make the income capitalization approach impracticable to develop and unreliable. In this appraisal, we fully developed the sales comparison approach to estimate market value of the subject. We based market rent on a fair return on the property and operating cost.

Sales Location Map

SALES COMPARISON APPROACH

According to *The Appraisal of Real Estate, 12th Edition*, value is governed by the appraisal principles that include substitution, anticipation, change, supply and demand, and balance. We used the sales comparison approach to estimate the subject's market value, as of the effective date of appraisal. Our research of the subject's general marketing area revealed a sufficient quantity and quality of data to develop a reliable sales comparison approach.

The following sales reflect the market's desire for properties similar to the subject property.

Sale	Location	City / Town	Acres
1	3520 Galloway Road	Middle River, MD	0.732
2	9298 North Point Road	Edgemer, MD	0.200
3	2321 Turkey Point	Essex, MD	0.424
4	9109 Cuckold Point Road	Edgemere, MD	0.189
5	9110 Chesapeake Avenue	Edgemere, MD	0.211
Subject	**2020 Riverview Road**	**Essex, MD**	**0.655**

Located on the facing page is a map that identifies the location of the sales in relation to the subject. Detailed descriptions and analyses of the sales are on the following pages.

Sale 1	**Residential Lot**
Address	3520 Galloway Road
Town	Middle River, MD
City/County	Baltimore County
Tax Map / Parcel	98 / 4 / 52 & 53

Date of Sale	April 2, 2002
Deed Reference	16291 / 132
Grantor	Robert Beauchamp
Grantee	Joseph Walters, Jr.
Land Area (Acres)	0.732
Land Area (Square Feet)	31,900
Building Lots	2
Average Lot Size	15,950
Site Characteristics	Waterfront
Zoning	RC-5
Utilities	Well & Septic
Water Frontage (feet)	50
Water Depth (feet)	1 to 3
Water View	Average
Site Improvements	Pier & Old Dwelling
Consideration	$275,000
Financing	Cash to the seller
Verification	Broker/Agent, public records, and inspection
Price Per Building Lot	$137,500
Price Per Acre	$375,517
Price Per SF	$8.62

Remarks. This property as a good location on Middle River's Galloway Creek. Site improvements include an 85-foot pier with deep water docking. The old frame dwelling contributes little value to the site. Sewer will be available in 2003.

Sale 2	**Residential Lot**
Address	9298 North Point Road
Town	Edgemer, MD
City/County	Baltimore County
Tax Map / Parcel	115 / 59

Date of Sale	February 14, 2002
Deed Reference	16108 / 125
Grantor	Kimberly Barker
Grantee	James Burns
Land Area (Acres)	0.200
Land Area (Square Feet)	8,730
Building Lots	1
Average Lot Size	8,730
Site Characteristics	Waterfront
Zoning	DR-5.5
Utilities	Metropolitan
Water Frontage (feet)	80
Water Depth (feet)	1 to 3
Water View	Average
Site Improvements	Pier
Consideration	$139,900
Financing	Cash to the seller
Verification	Broker/Agent, public records, and inspection
Price Per Building Lot	$139,900
Price Per Acre	$698,058
Price Per SF	$16.03

Remarks. This property is located on Shallow Creek that allows easy access to the Chesapeake Bay. Site improvements include a 70-foot pier and stone rip-rap bulkhead.

Sale 3	**Residential Lot**
Address	2321 Turkey Point
Town	Essex, MD
City/County	Baltimore County
Tax Map / Parcel	98 / 211 / 14

Date of Sale	May 26, 1999
Deed Reference	13774 / 373
Grantor	Leonard Pyzia
Grantee	Charles Markel
Land Area (Acres)	0.424
Land Area (Square Feet)	18,450
Building Lots	1
Average Lot Size	18,450
Site Characteristics	Waterfront
Zoning	DR-3.5
Utilities	Metropolitan
Water Frontage (feet)	100
Water Depth (feet)	3 – 5
Water View	Average
Site Improvements	Pier
Consideration	$120,000
Financing	Cash to the seller
Verification	Broker/Agent, public records, and inspection
Price Per Building Lot	$120,000
Price Per Acre	$283,317
Price Per SF	$6.50

Remarks. This property has a good location on Middle River's Sue Creek. Site improvements include a pier and bulkhead. The property was purchased to construct a new home.

Sale 4	**Residential Lot**
Address	9109 Cuckold Point Road
Town	Edgemere, MD
City/County	Baltimore County
Tax Map / Parcel	112 / 4 / 516

Date of Sale	August 18, 1999
Deed Reference	13969 / 18
Grantor	Stanton Wood
Grantee	Thomas Lau, Jr.
Land Area (Acres)	0.189
Land Area (Square Feet)	8,250
Building Lots	1
Average Lot Size	8,250
Site Characteristics	Waterfront
Zoning	BL
Utilities	Metropolitan
Water Frontage (feet)	55
Water Depth (feet)	1 to 3
Water View	Good
Site Improvements	Pier
Consideration	$140,000
Financing	Cash to the seller
Verification	Broker/Agent, public records, and inspection
Price Per Building Lot	$140,000
Price Per Acre	$739,200
Price Per SF	$16.97

Remarks. This property has a good location on Back River's Cuckold Point. Site improvements include an 86-foot pier and boat ramp. The old frame one-bedroom dwelling contributed no value to the site and was razed to construct a new home.

Sale 5	**Residential Lot**
Address	9110 Chesapeake Avenue
Town	Edgemere, MD
City/County	Baltimore County
Tax Map / Parcel	112 / 5 / 32

Date of Sale	February 7, 2001
Deed Reference	14963 / 599
Grantor	Joseph Sisolak, Jr.
Grantee	Kevin Reeder
Land Area (Acres)	0.211
Land Area (Square Feet)	9,180
Building Lots	1
Average Lot Size	9,180
Site Characteristics	Waterfront
Zoning	DR-3.5
Utilities	Metropolitan
Water Frontage (feet)	54
Water Depth (feet)	1 to 3
Water View	Good
Site Improvements	Old Dwelling
Consideration	$169,000
Financing	Cash to the seller
Verification	Broker/Agent, public records, and inspection
Price Per Building Lot	$169,000
Price Per Acre	$801,922
Price Per SF	$18.41

Remarks. This property has a good location on Swan Point, across from Hart-Millers Island. The old frame improvements contributed no value to the site.

SALES COMPARISON APPROACH

Adjustment overview -- We will consider adjustments to the sales for various elements of comparison to arrive at a market value conclusion for the subject. The elements of comparison are the characteristics of properties and transactions that cause the prices paid for the real estate to vary. We have considered all the reasonable differences between the comparable properties and the subject that could affect the value. We have tested market value by identifying which variable elements to which property values are especially sensitive. Adjustments for differences are made to the price of each comparable property to make the comparable equal to the subject on the effective date of value.

Unit of Comparison -- The unit of comparison used in this analysis is the price paid per building lot. It was chosen as it reflects how local buyers view properties of the subject's caliber when making a buy or sell decision.

Sales Analyses

The sales previously presented are summarized on the *Site Sales & Analysis Summary*. The unadjusted prices range from $120,000 to $169,000 per lot. The average price is $141,280 per lot and the standard deviation is $11,088 with a 7.85% normalized standard deviation.

Two methods are available to measure adjustments, quantitative and qualitative analyses. Quantitative methods use mathematical processes to identify which elements of comparison require adjustment and the amount of adjustment that is need. These type of analyses require extensive amounts of refined data that are not typically available. For this appraisal, the type and quantity of available data do not lend themselves to quantitative analyses.

The adjustments are considered qualitative since data are limited in quantity and insufficient to extract reliable adjustments. Only the elements of comparison that either require adjustments or merit comment are discussed.

Real Property Rights.....No adjustments were required.

Financing.....The transaction price of one property may differ from that of an identical property due to different financing arrangements. For example, below market rates might be extended to individuals who have substantial bank accounts and are therefore especially credit worthy.

Conversely, below market interest rates often result in higher sale prices. Financing adjustments are commonly used on sales in which the seller pays points or finances the loan at a rate that differs from the market rate. No adjustments for financing were required.

Conditions of Sale.....None of the sales required adjustment for conditions of sale.

Market Conditions (time).....An adjustment for market conditions is derived by analyzing changes that have occurred over time in determining their effect on a specific type of property during that period. Changes in market conditions may result from appreciation or depreciation, due to inflation or deflation, fluctuations in supply and demand, building moratoriums or changes in income tax laws.

As for the sales, we analyzed various combinations of the data and concluded there has been a modest upward trend in prices. We adjusted the sales upward for market conditions.

Location .....The subject has a good waterfront location at the mouth of Back River. The location is considered comparable to Sales 1. Sales 2, 4, and 5 have better access to the bay, especially Sales 4 and 5. We adjusted Sales 2, 4, and 5 downward, with Sales 4 and 5 receiving somewhat greater adjustment than Sale 2. Conversely, the subject's location is considered better than Sale 3's location, requiring an upward adjustment.

Size: .....In our analysis we assumed a lot with an average 14,268 square feet. Sales 2, 4 and 5 have smaller lots compared to the subject's. We made modest upward adjustments to Sale 5. Conversely, Sale 3's lot is larger than the subject and is adjusted downward.

Utilities.....Like the subject Sale 1 uses well and septic. Also sewer will be extended to Sale 1 in approximately 2 years. The remaining sales have metropolitan water and sewer. We adjusted sales 2-5 downward for utilities.

Water Frontage.....In our analysis we assumed a lot with an average 74 feet of water frontage. This is similar to Sale 2's frontage. Sales 1, 4 and 5 have narrow lots, with water frontages ranging form 50 to 55 feet. An upward adjustment is appropriate for these sales. Conversely Sale 3 has water frontage of approximately 100 feet. We adjusted Sale 3 downward.

Water Depth. .....Water depth is 3-5 feet for the subject. Deep water allows the use of deeper draft boats and tends to bring higher prices than waterfront properties with shallow water. The subject's water depth is similar to Sales 1 and 3. The remaining Sales have water depths of 1-3 feet, requiring upward adjustments.

Water View. .....The subject has a panoramic view that is comparable to the views offered by Sales 4 and 5. The subject's water view is considered better than the views offered by the remaining sales.

Site Sales and Analysis Summary

Categories	Subject	Site Sale 1	Site Sale 2	Site Sale 3	Site Sale 4	Site Sale 5
Address	2020 Riverview Road	3520 Galloway Road	9298 North Point Road	2321 Turkey Point	9109 Cuckold Point Road	9110 Chesapeake Avenue
Town	Essex, MD	Middle River, MD	Edgemere, MD	Essex, MD	Edgemere, MD	Edgemere, MD
City/County	Baltimore County	Baltimore County	Baltimore County	Baltimore County	Baltimore County	Baltimore County
Tax Map / Parcel / Lot	104 / 35-37	98 / 4 / 52 & 53	115 / 59	98 / 211 / 14	112 / 4 / 516	112 / 5 / 32
Date of Sale (appraisal)	August-02	April-02	February-02	May-99	August-99	February-01
Deed Reference		16291 / 132	16108 / 125	13774 / 373	13969 / 18	14963 / 599
Grantor		Robert Beauchamp	Kimberly Barker	Leonard Pyzia	Stanton Wood	Joseph Sisolak, Jr.
Grantee		Joseph Walters, Jr.	James Burns	Charles Markel	Thomas Lau, Jr.	Kevin Reeder
Land Aree (Acres)	0.6551	0.732	0.200	0.424	0.189	0.211
Lend Area (Square Feet)	28,537	31,900	8,730	18,450	8,250	9,180
Building Lots	2	2	1	1	1	1
Averege Lot Size (SF)	14,269	15,950	8,730	18,450	8,250	9,180
Site Characteristics	Waterfront	Waterfront	Waterfront	Waterfront	Waterfront	Waterfront
Zoning	RC-5	RC-5	DR-5.5	DR-3.5	BL	DR-3.5
Utilities	Well & Septic	Well & Septic	Metropolitan	Metropolitan	Metropolitan	Metropolitan
Weter Frontage (feet)	74 per lot	50	80	100	55	54
Water Depth (feet)	3 to 5	1 to 3	1 to 3	3 - 5	1 to 3	1 to 3
Water View	Good	Average	Average	Average	Good	Good
Site Improvements	Use of Pier	Pier & Old Dwelling	Pier	Pier	Pier	Old Dwelling
Consideretion		$275,000	$139,900	$120,000	$140,000	$169,000
Price per Building Lot		$137,500	$139,900	$120,000	$140,000	$169,000
Price per Acre		$375,517	$698,058	$283,317	$739,200	$801,922
Price per SF		$8.62	$16.03	$6.50	$16.97	$18.41
Adjustments						
Property Rights		0.00%	0.00%	0.00%	0.00%	0.00%
Condition of Sale		0.00%	0.00%	0.00%	0.00%	0.00%
Financing		0.00%	0.00%	0.00%	0.00%	0.00%
Market/Time	3%	1.2%	1.5%	9.7%	9.0%	4.6%
Adjusted price per building lot		**$139,082**	**$142,050**	**$131,658**	**$152,635**	**$176,765**
Physicel Adjustments						
Location	Essex, MD	0.00%	-20.00%	20.00%	-20.00%	-35.00%
Size	14,269	0.00%	5.00%	-5.00%	5.00%	5.00%
Utilities	Well & Septic	0.00%	-5.00%	-5.00%	-5.00%	-5.00%
Water Frontage (feet)	74 per lot	10.00%	0.00%	-10.00%	10.00%	10.00%
Weter Depth (feet)	3 to 5	0.00%	10.00%	0.00%	10.00%	10.00%
Water View	Good	10.00%	15.00%	15.00%	0.00%	0.00%
Site Improvements	Use of Pier	-15.00%	0.00%	0.00%	0.00%	5.00%
Adjusted Price		**$146,036**	**$149,153**	**$151,407**	**$152,635**	**$159,088**

Statistics

Unedjusted Data	
Low	$120,000
High	$169,000
Mean	$141,280
Standerd Deviation (SD)	$11,088
Normelized SD	7.85%

Adjusted Data	
Low	$146,036
High	$159,088
Meen	$151,664
Standerd Deviation (SD)	$3,358
Normalized SD	2.21%

Site Improvements. .....MES built, maintains and controls use of the subject's 122-foot pier, during the term of the lease. The lease allows the landlord to dock one boat at a slip designated by MES. When the lease expires, the pier reverts to the landlord. For these reasons we made no adjustment if a sale included a pier. We adjusted Sale 5 upward because is lacks a pier. Sale 1 required a downward adjustment for the old dwelling that contributed some value to its site.

Conclusion. All the sales are considered reasonable indicators for the subject's value and each sale required adjustments for differences between it and the subject. As previously stated, the data are not sufficiently refined to extract quantitative adjustments, but are sufficient for qualitative analyses. Shown on the facing page is a *Site Sales and Analysis Summary.* The adjustments reflect our weighting of the salient characteristics that affect value. After adjustments, the sale prices ranged from $146,036 to $159,088 per lot. The average adjusted price is $151,664 per lot and the standard deviation is $3,358 with a 2.21% normalized standard deviation. After carefully considering the available data, we gave approximately equal weight to the sales and conclude a value of $150,000 per lot is reasonable.

The total $300,000 for (2 lots) requires adjustment to reflect property rights retained by the owner and costs to create the two lots. The anticipated cost includes re-platting the lots and other engineering cost. The property owner retains use of portions of the property not leased by MES. However the location and amount of the leased portion of the property greatly limits the functional utility of the remainder. Nevertheless the un-leased portions can be used for some recreational and other uses. We conclude a 15% adjustment is appropriate to allow for re-platting the lots, engineering costs, and value of retained property rights. The indicated market value of the subject is $255,000 by the sales comparison approach.

Market Rent

We estimated market rent based on a fair return to the investor. This includes a market return on the value of the real estate and operating expenses.

Fair Return. Investors carefully consider the quality, quantity and durability of an anticipated income stream when arriving at an acceptable rate of return. The subject's lease will continue for another 5 years and is considered a relatively safe investment due to the credit worthiness of the tenant. In addition the tenant has made substantial tenant improvements to the property, namely the 122-foot commercial grade pier. This and the properties convenient access to Hart-Miller Island makes the property ideal for meeting the tenant's needs. With these characteristics, an investor would likely view the income stream as a safe investment for the next 5 years or longer with extensions of the lease.

Since December 2001 the prime rate has remained at 4.75%. As shown on the exhibit *Selected Interest Rates*, Five-year Treasury Securities averaged a 3.32% return, Ten-year Treasury Securities averaged a 4.24% return, and Long-term Treasury Securities averaged a 5.19% return.[7] During the same period, the yield on Corporate Aaa Bonds was 6.33% and the yield on Corporate Baa Bonds was 7.55%. The yield on Municipal Bonds was 4.97%. Real estate investors typically require higher rates of returns than low-risk government securities and low-risk corporate investments. For example investors in the *National Net Lease Market* anticipated a return of 8% to 10.5%.[8] Overall the subject's lease offers a reliable income stream, backed by a state agency. Considering alterative investment opportunities a return of 8.5% to 10% is sufficient to attract investors. We conclude 9% is a reasonable fair market return on the real property and anticipated operating expenses.

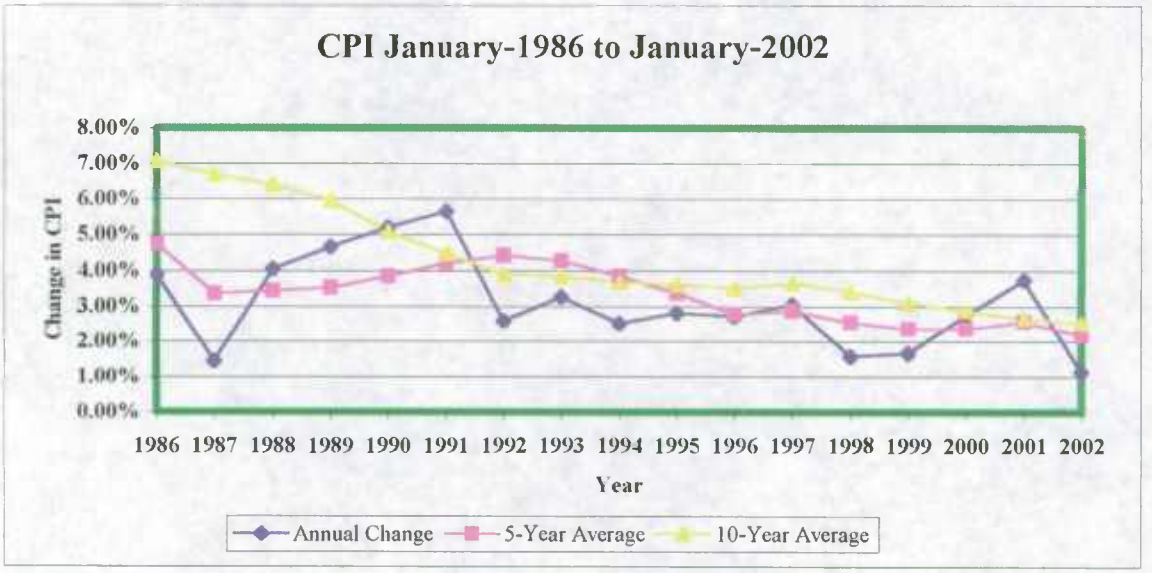
Year 1, Market Rent. Using a 9% fair rate of return indicates a $22,950 annual return for the property. To this we added $2,100 to allow for real estate taxes, insurance, management, and other miscellaneous expenses. The results are summarized below:

Year 1 Market Rent			
Value of the Real Property		$255,000	
Fair Return	9%		
Fair Rent for the Real Property			$22,950
Anticipated Operating Expenses			
Real Estate Taxes		$1,100	
Insurance		$750	
Miscellaneous & Management		$250	
Total			$2,100
Estimate Fair Market Rent			**$25,050**

Based on our analysis, we conclude $25,050 is a reasonable market rent for the subject. Most leases provide for periodic rent increase.

[7] Source: Federal Reserve Bank of St. Louis, August 23, 2002.
[8] *Korpacz Real Estate Investor Survey*, Price Waterhouse Coopers, Second Quarter 2002.

Escalations. Many leases provide for periodic increases in rent. The increases are either stated amounts (often 2.5% to 3% annual increases) or adjusted by the change in the *Consumer Price Index (CPI)*. The following exhibit shows the annual change in CPI from January 1986 to January 2002. In addition, we plotted the running 5-year and 10-year average change in the CPI.



Viewed annually, the CPI can change rather rapidly. The most dramatic changes occurred from September 1976 to 1980. The average rate of change rose from 5.5%, in 1976 to 12.7% in 1980. By 1982, the rate of change slowed to 5%. By comparison, recent changes in the CPI have been modest. The rate of change in 1996 averaged 3.32%; it fell to 1.61% in 1998 and rose to 3.39% in 2000. The following exhibit shows the CPI's annual rate of change, 5-Year running average, and 10-year running average. The CPI figures are from January of each year.

Consumer Price Index, Annual Changes				
Year	**CPI**	**Annual Change**	**5-Year Average**	**10-Year Average**
1992	138.1	2.60%	3.82%	4.31%
1993	142.6	3.26%	3.79%	4.09%
1994	146.2	2.52%	3.62%	3.64%
1995	150.3	2.80%	3.55%	3.12%
1996	154.4	2.73%	3.65%	2.87%
1997	159.1	3.04%	3.52%	2.73%
1998	161.6	1.57%	3.27%	2.45%
1999	164.3	1.67%	3.00%	2.36%
2000	168.8	2.74%	2.80%	2.48%
2001	175.1	3.73%	2.66%	2.46%
2002	177.1	1.14%	2.62%	2.49%
Based on CPI for the month of January				

The data show during the last 10 years, changes in the CPI ranged from a high of 3.73% (2001) to a low of 1.14% (2002).

However, during the last 5 years, it has remained relatively stable, with the 5-year average remaining below 3% since 1999 and the 10-year average dropping below 3% in 1996. The recent lower rates of change are largely the result of the Feds tight control on inflation. We give more weight to the 5-year averages and 10-year averages because they tend to dampen sudden fluctuations exhibited by the annual changes. A long-term projection based on an annual 2.5% to 3% change in the CPI is reasonable and conclude 2.75% annual rent increases are appropriate.

Conclusion

We conclude the following fair market rents over the 5-year term of the subject's lease:

Estimated Market Rent for the MES 5-Year Lease		
Year 1	July 1, 2002 - June 30, 2003	$25,050
Year 2	July 1, 2003 - June 30, 2004	$25,739
Year 3	July 1, 2004 - June 30, 2005	$26,447
Year 4	July 1, 2005 - June 30, 2006	$27,174
Year 5	July 1, 2006 - June 30, 2007	$27,921

RONCILIATION AND FINAL VALUE CONCLUSION

Reconciliation is the analysis of alternative conclusions to arrive at final estimates of value. The analysis considers the type and class of property and the adequacy of the data used in each approach to value. In the preceding pages of this report, we analyzed the market-derived data for the purpose of estimating the market rent of the MES 5-year lease.

The focus of this appraisal is to estimate market rent for the subject, assuming a 5-year term. The cost approach would not produce a meaningful indication of value because the subject is essentially waterfront residential land. This type of property is typically purchased for single-family residential use and is not considered an investment type property. This and a dearth of comparable income and expense data make the income capitalization approach impracticable to develop. In this appraisal, we fully developed the sales comparison approach to estimate market value of the subject. We based market rent on a fair return on the property and operating cost.

Based on our analyses of the facts, data and opinions presented in this report, we conclude the following market rent for the subject:

Estimated Market Rent for the MES 5-Year Lease		
Year 1	July 1, 2002 - June 30, 2003	$25,050
Year 2	July 1, 2003 - June 30, 2004	$25,739
Year 3	July 1, 2004 - June 30, 2005	$26,447
Year 4	July 1, 2005 - June 30, 2006	$27,174
Year 5	July 1, 2006 - June 30, 2007	$27,921

MAJOR PREDICTIONS

It is important to note that the value conclusions reported herein represent *"snap shots in time"* that are based on our analysis and interpretation of market data. Our estimates were formulated based on our perceptions regarding the future direction of the economy and local market activity as well as the data supplied by the client and other third parties.

These variables are volatile and impossible to predict their performance 10 years or even 6 months into the future. As such, the values reported should be approached with ***caution*** and altered as changes occur in the economy, and the local supply and demand relationship.

It is also important to note that the objective of this appraisal is to provide values that reflect current market actions as of the date of this valuation. We made every attempt to incorporate investors'; purchase criteria into the valuation methods used to value the subject.

EXPOSURE TIME & MARKETING PERIOD

The Appraisal Standards Board of the Appraisal Foundation, issued advisory opinions on the Uniform Standards of Professional Appraisal Practice (USPAP) for the references times. Below we will address the relationship between the two time periods, discuss factors impacting timing, and conclude with an estimate for both.

Generally, Exposure Time relates to what has, retrospectively, and is currently occurring in the market, while Marketing Time is a projection or prospective, of what is likely to occur in the market. These references are consistent with the appraisal of any property where, we the appraisers, look as what has, is and will most likely occur in issuing and opinion of value for a property. Both time periods are a function of price, time, use, and the cost and availability of funds. The primary difference between the two time periods is that for marketing time we also need to consider anticipated trends in market conditions.

Assisting us in making an estimate for the two time periods are verification of sales data, such as days on the market for properties, both listed and sold, along with interviews of market participants. Understanding buyers' and sellers' motivations and financial assumptions for a reasonably priced property are key. It is also important to identify the most likely purchaser and his expectations as to financing.

Since the time periods are based on similar information, we have considered the contrast for the time periods, based on changing trends. The relationships between the two time periods are illustrated below:

- When the market is perceived as stable before and after the effective date of the appraisal, then Exposure Time and Marketing Time are generally equal.

- When the market is perceived as increasing before and after the effective date of the appraisal, then Exposure Time is generally longer than Marketing Time.

- When the market is perceived as decreasing before and after the effective date of the appraisal, then Exposure Time is generally less than Marketing Time.

- When the market is perceived as increasing before the effective date of the appraisal, and decreasing or stable after the effective date, then Exposure Time is generally less than Marketing Time.

- When the market is perceived as decreasing before the effective date of the appraisal, and increasing or stable after the effective date, then Exposure Time is generally longer than Marketing Time.

The following market information has been used in our determination of exposure time and marketing period.

Surveys -- All the respondents of a survey of real estate brokers and other market participants familiar with our market and product type reported that they would expect a property similar to the subject to take less than one year to sell in the current market, assuming adequate marketing and an appropriately priced product.

Market Data - Most of the sales sold within 12 months of becoming offered on the market.

Based upon the available data and our "As is" value conclusions, an exposure time and marketing time of ***twelve months or less*** is considered reasonable.

APPRAISAL CERTIFICATION

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the opinion estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The report assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics of the Appraisal Institute.*
9. We have made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance to the person signing this report.
11. As of the date of this report, I and the undersigned member have completed the requirements of the continuing education program of the Appraisal Institute.
12. We certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Bernard A. Page, Jr., MAI
Appraiser, #04-626

David J. January, MAI, SRA
Appraiser #04-051

LIMITING CONDITIONS AND ASSUMPTIONS

This appraisal is subject to the following conditions and assumptions.

1. Neither all nor any part of the contents of this report (especially any conclusions as to value and the identity of the appraisers) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the appraisers.

2. This appraisal is to be used in whole and not in part. No part of it shall be used in conjunction with any other appraisal.

3. The appraisers herein, by reason of this report, is/are not required to give testimony in court with reference to the property appraised unless arrangements have been previously made.

4. Information obtained from sources outside this office are considered reliable, however, the appraisers' assumes no responsibility for such matters.

5. The appraisers have made no survey of the property and assumes no responsibility for such.

6. The legal description is assumed correct and the stamps placed on deeds are also assumed to be correct.

7. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

8. Furnishings and equipment or business operations, unless otherwise noted as a part of the real estate, have been disregarded with only the real estate being considered.

9. Your appraisers have inspected the land. However, it is not possible to observe the conditions beneath the soil or hidden structurally, or any mechanical components within the improvements. Unless otherwise stated in this report, no representations are made herein as to these matters. The value estimated in this report considers there being no such conditions that would cause a loss of value. No liability is assumed for the soundness of members, equipment, or soil conditions and unless otherwise stated in this report all are considered to be adequate. No consideration has been given to oil or mineral rights, if outstanding.

10. No responsibility is assumed by the appraisers for matters which are legal in nature, nor is any opinion on the title rendered herewith. Good title is assumed and this property has been appraised as though free of liens and encumbrances, except as herein described.

11. In this assignment, the existence of potentially hazardous material used in the construction or maintenance, such as the presence of urea-formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, has not been considered. The appraiser(s) is/are not qualified to detect such substances. We urge the client to retain an expert on this field if desired.

12. No environment or impact studies, special market studies, highest and best use studies, analysis studies, or feasibility studies have been made unless otherwise stated in this report.

13. The value contained in this report is subject to the aforementioned conditions and any other restrictions set forth in this appraisal report.

14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines.

    Since compliance matches each owner's financial ability with the cost to cure the property's potential physical characteristics, the real estate appraiser cannot comment on compliance to ADA.

    A brief summary of physical aspects is included in this report. It in no way suggests ADA compliance by the current owner.

    Given the compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance.

    Specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

ADDENDUM (Exhibits)

Subject Property Photographs
Flood Plain Map
Zoning Map
Real Property Information
Selected Interest Rates & Yields on Selected Securities Chart
Korpacz Real Estate Investor Survey
Qualifications of the Appraisers

SUBJECT PHOTOGRAPHS

View From Pier To Shore

View From Pier To Shore

View From Pier To Shore

Water View

Water Frontage

View Of Pier

SUBJECT PHOTOGRAPHS

Parking Area

Parking Area

Riverview Road

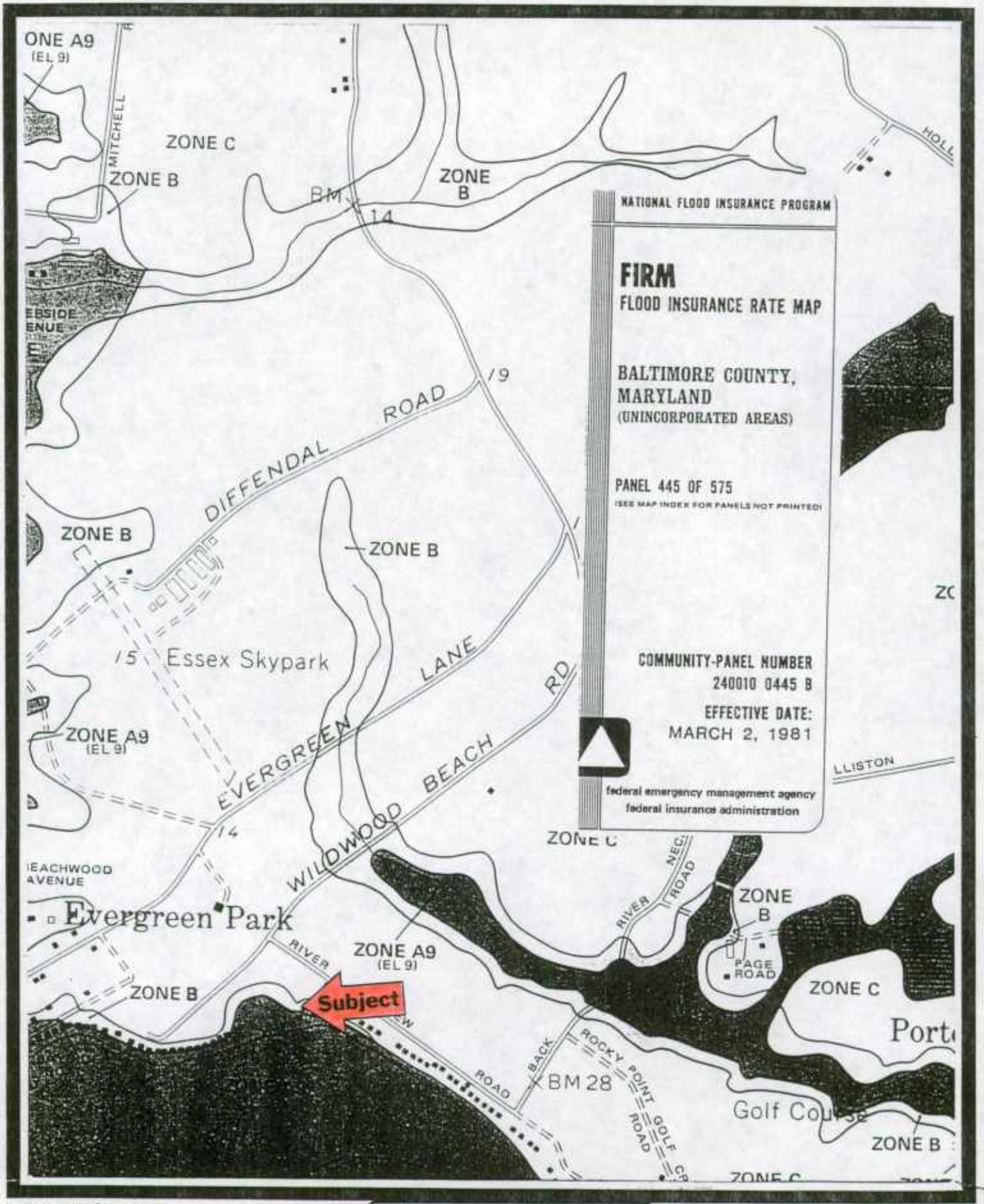
Riverview Road

Riverview Road

Access Driveway

SUBJECT PHOTOGRAPH

North Portion Of Site



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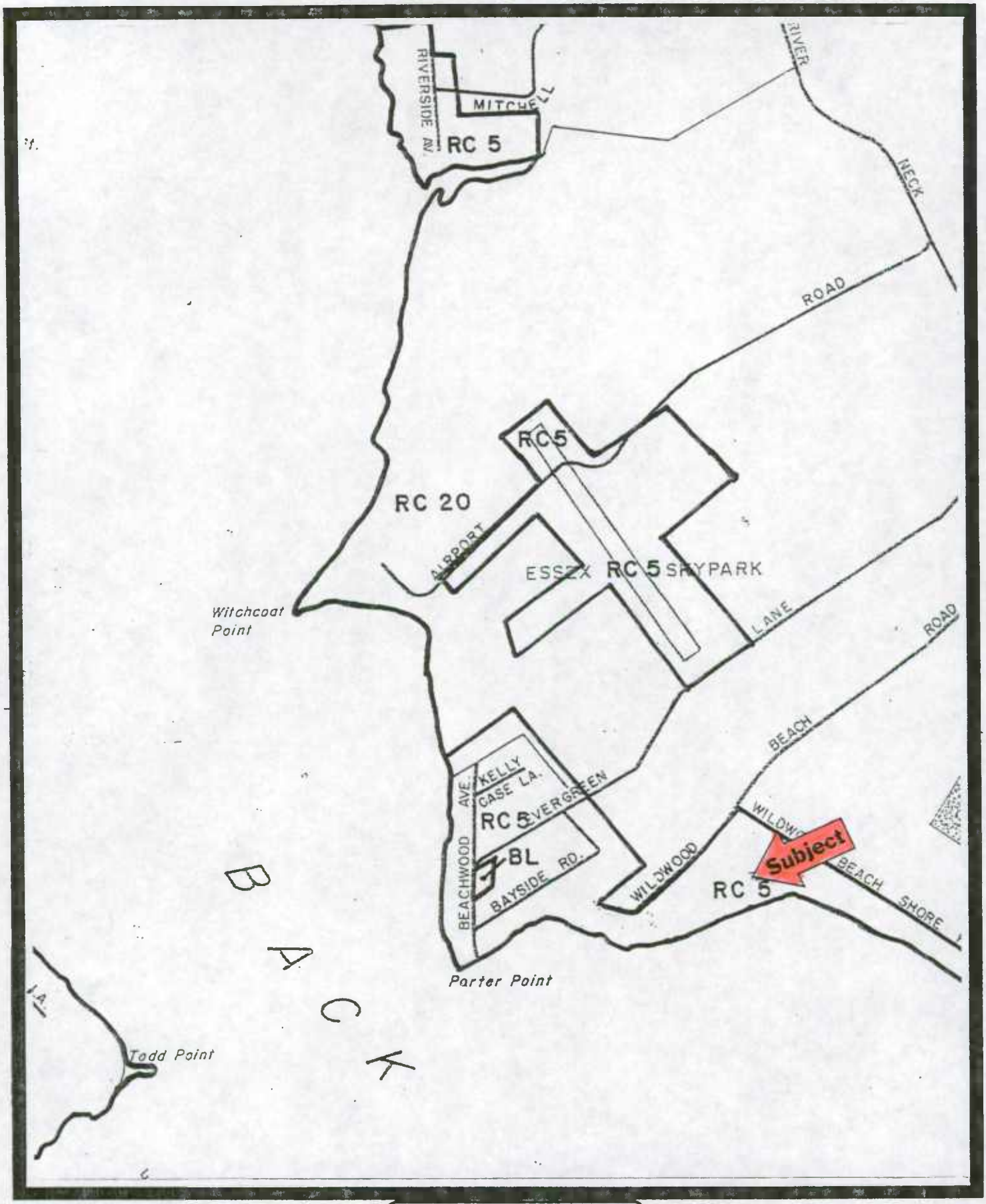
Flood Plain Map



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Zoning Map

Click here for a plain text ADA compliant screen.

Maryland Department of Assessments and Taxation
BALTIMORE COUNTY
Real Property Data Search

Go Back
View Map
New Search

Account Identifier: **District** - 15 **Account Number** - 1519611130

Owner Information

Owner Name:	KLUTTZ PATRICIA L SOUTHWORTH	**Use:**	RESIDENTIAL
		Principal Residence:	NO
Mailing Address:	1613A WILSON POINT RD BALTIMORE MD 21220-5425	**Deed Reference:**	1) /11897/ 289 2)

Location & Structure Information

Premises Address	Zoning	Legal Description
2024 RIVERVIEW RD	WATERFRONT	LT 37-38-39 2024 RIVERVIEW RD WILDWOOD BEACH

Map	Grid	Parcel	Subdivision	Section	Block	Lot	Group	Plat No:
104	24	169				37	82	Plat Ref:

Special Tax Areas **Town** **Ad Valorem** **Tax Class**

Primary Structure Built	Enclosed Area	Property Land Area	County Use
1924	1,020 SF	1.13 AC	34

Stories	Basement	Type	Exterior
1	NO	STANDARD UNIT	FRAME

Value Information

	Base Value	Value As Of 01/01/2000	Phase-in Assessments As Of 07/01/2002	As Of 07/01/2003
Land:	106,360	106,360		
Improvements:	40,220	40,220		
Total:	146,580	146,580	146,580	NOT AVAIL
Preferential Land:	0	0	0	NOT AVAIL

Transfer Information

Seller:	SOUTHWORTH NANCY LEE	**Date:**	11/14/1996	**Price:**	$153,750
Type:	IMPROVED ARMS-LENGTH	**Deed1:**	/11897/ 289	**Deed2:**	
Seller:	SOUTHWORTH NANCY LEE	**Date:**	11/13/1989	**Price:**	$0
Type:	NOT ARMS-LENGTH	**Deed1:**	/ 8322/ 500	**Deed2:**	
Seller:	KLUTTZ PATRICIA LEE	**Date:**	11/13/1989	**Price:**	$0
Type:	NOT ARMS-LENGTH	**Deed1:**		**Deed2:**	

Exemption Information

Partial Exempt Assessments	Class	07/01/2002	07/01/2003
County	000	0	0
State	000	0	0
Municipal	000	0	0

Tax Exempt: NO
Exempt Class:

Special Tax Recapture:

* NONE *

Click here for a plain text ADA compliant screen.

Maryland Department of Assessments and Taxation
BALTIMORE COUNTY
Real Property Data Search

Go Back
View Map
New Search

Account Identifier: **District** - 15 **Account Number** - 2300000501

Owner Information

Owner Name:	KLUTTZ PATRICIA LEE SOUTHWORTH	**Use:**	RESIDENTIAL
		Principal Residence:	NO
Mailing Address:	1613A WILSON POINT RD BALTIMORE MD 21220-5425	**Deed Reference:**	1) /12442/ 475 2)

Location & Structure Information

Premises Address
RIVERVIEW RD

Zoning

Legal Description
.974 AC LTS 34-36
SS RIVERVIEW RD
WILDWOOD BEACH

Map	Grid	Parcel	Subdivision	Section	Block	Lot	Group	Plat No:
104	24	169				34	82	Plat Ref: 9/ 30

Special Tax Areas
Town
Ad Valorem
Tax Class

Primary Structure Built	Enclosed Area	Property Land Area	County Use
0000		42,660.00 SF	04

Stories	Basement	Type	Exterior

Value Information

	Base Value	Value As Of 01/01/2000	Phase-in Assessments As Of 07/01/2002	As Of 07/01/2003
Land:	10,660	10,660		
Improvements:	0	0		
Total:	10,660	10,660	10,660	NOT AVAIL
Preferential Land:	0	0	0	NOT AVAIL

Transfer Information

Seller:	OWINGS JOHN F,JR	**Date:**	10/16/1997	**Price:**	$60,000
Type:	UNIMPROVED ARMS-LENGTH	**Deed1:**	/12442/ 475	**Deed2:**	
Seller:		**Date:**		**Price:**	
Type:		**Deed1:**		**Deed2:**	
Seller:		**Date:**		**Price:**	
Type:		**Deed1:**		**Deed2:**	

Exemption Information

Partial Exempt Assessments	Class	07/01/2002	07/01/2003
County	000	0	0
State	000	0	0
Municipal	000	0	0

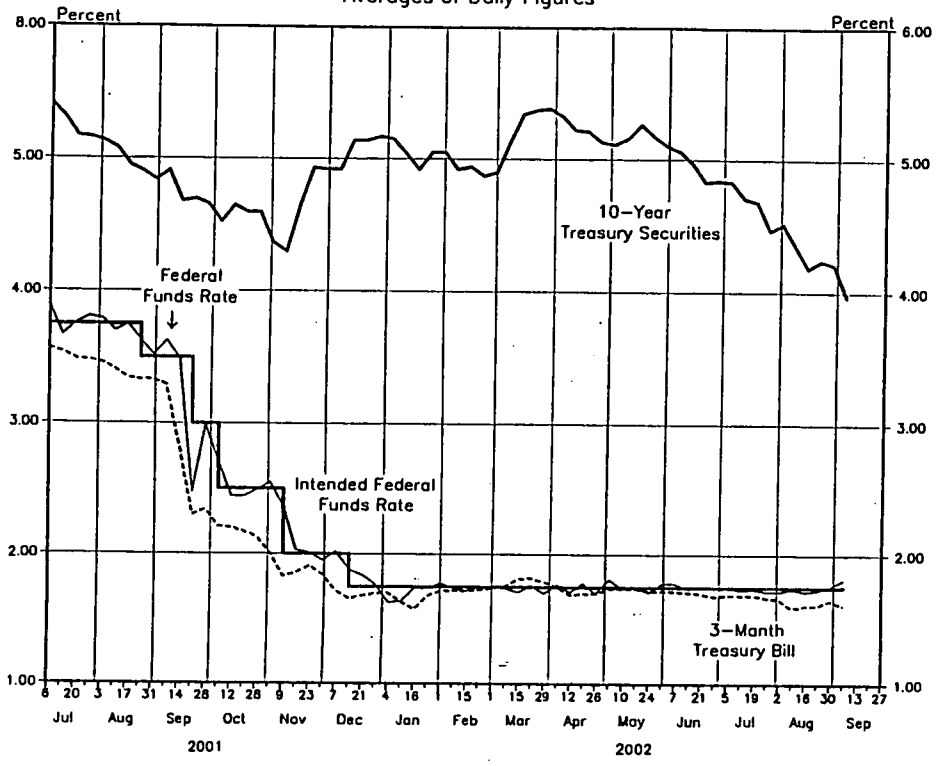
Tax Exempt: NO
Exempt Class:

Special Tax Recapture:

* NONE *

Selected Interest Rates

Averages of Daily Figures



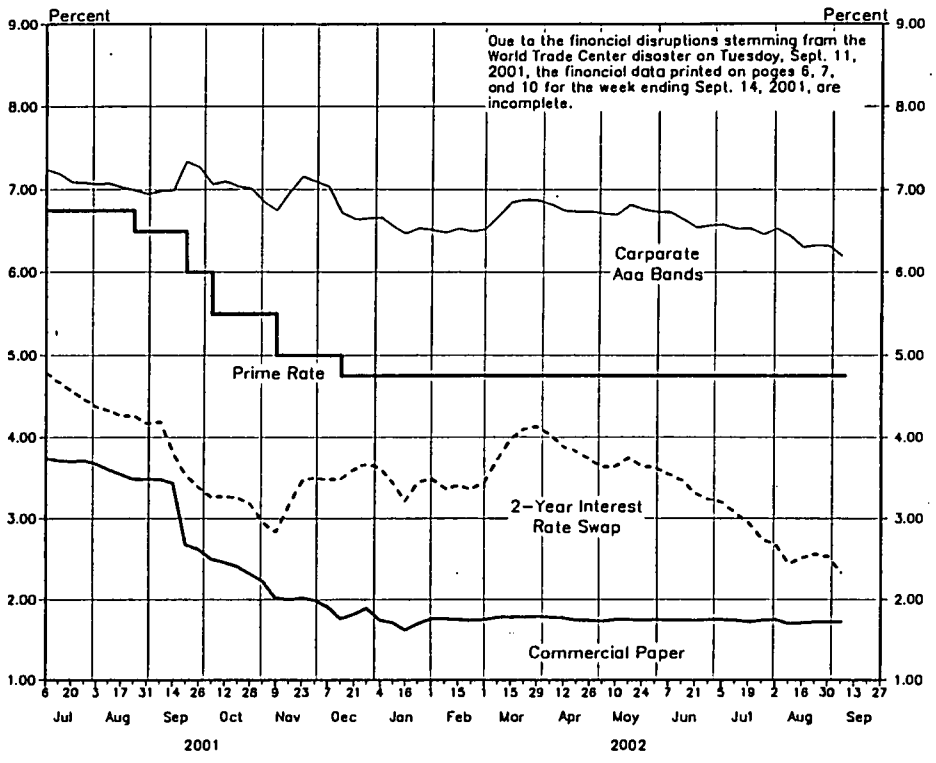
2002	Federal Funds ••	3-Month Treasury Bill	2-Year Treasury Securities	5-Year Treasury Securities	10-Year Treasury Securities	Treasury Long-Term Average
Jun 14	1.74	1.71	3.04	4.23	4.97	5.67
21	1.75	1.70	2.90	4.09	4.83	5.59
28	1.75	1.66	2.67	4.06	4.84	5.62
Jul 5	1.75	1.69	2.64	4.05	4.63	5.63
12	1.73	1.69	2.67	3.92	4.71	5.54
19	1.74	1.89	2.57	3.85	4.66	5.55
26	1.72	1.87	2.32	3.56	4.47	5.45
Aug 2	1.72	1.66	2.24	3.53	4.52	5.46
9	1.74	1.59	2.04	3.29	4.35	5.34
16	1.72	1.61	2.14	3.25	4.16	5.16
23	1.73	1.61	2.18	3.32	4.24	5.19
30	1.76	1.65	2.19	3.29	4.21	5.15
Sep 6 •	1.81	1.61	2.02	3.03	3.97	4.95

Current data appear in the Federal Reserve Board's H.15 release, except for the Intended federal funds rate.
• Averages of rates available
•• Seven-day averages for week ending two days earlier than date shown

Prepared by Federal Reserve Bank of St. Louis

Yields on Selected Securities

Averages of Daily Figures



2002	30-Day Commercial Paper	90-Day CDs	2-Year Interest Rate Swap	Corporate Aaa Bonds	Corporate Baa Bonds	Municipal Bonds ••
Jun 14	1.74	1.81	3.47	6.85	7.95	5.09
21	1.74	1.61	3.30	8.55	7.66	5.04
28	1.75	1.81	3.23	8.56	7.93	5.07
Jul 5	1.75	1.81	3.20	6.59	7.99	5.10
12	1.74	1.60	3.06	6.53	7.92	5.04
19	1.72	1.79	2.94	8.54	7.94	5.00
26	1.74	1.77	2.74	8.48	7.80	4.94
Aug 2	1.75	1.77	2.68	8.54	7.78	5.00
9	1.70	1.70	2.44	6.45	7.69	4.99
18	1.71	1.70	2.51	6.31	7.53	4.89
23	1.72	1.73	2.58	8.33	7.55	4.97
30	1.72	1.78	2.53	6.33	7.51	4.91
Sep 8	1.72	1.75	2.33	8.20	7.37	N.A.

Current data are from the Federal Reserve Board's H.15 release, and are averages of rates available for the week ending on September 6, 2002 .
•• Bond Buyer's Average Index of 20 municipal bonds, Thursday data

Prepared by Federal Reserve Bank of St. Louis

NATIONAL NET LEASE MARKET–INVESTOR SURVEY RESPONSES

Second Quarter 2002

	Preferred Property Type	Change Rates		Preferred Credit Rating	Residual		Discount Rate (IRR)	Overall Cap Rate (OAR)	Underlying Vacancy & Credit Loss	Reserve	Marketing Time
		Market Rent	Expenses		Cap Rate	Selling Expenses	Free & Clear	Free & Clear		Per Square Foot	Months
PRIVATE INVESTMENT FIRM Primary valuation method is DCF analysis; also uses direct capitalization; in direct cap, capitalizes cash flow after TIs, leasing commissions, and capital replacement reserve.	Office, retail R&D, industrial, banks, restaurants	Varies flat, fixed, or CPI	0.0%	Below & above Investment grade	(1)	(1)	Depends on lease term	8.50% to 10.50%	0.00%	None	Typically holds properties
PRIVATE INVESTMENT FIRM Primary valuation method is direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; also uses DCF analysis; growth rates for market rent average 3.0% over the forecast period, while growth rates for expenses average 2.0% to 3.0%.	Office, industrial	2.0% to 3.0%	Not disclosed	Below & above investment grade	9.75% to 10.00%	3.0% to 4.0%	12.00% to 13.00%	9.25% to 10.00%	0.0%	$0.15 to $0.20 (office); $0.10 to $0.15 (industrial)	9 to 12
PRIVATE INVESTMENT FIRM Primary valuation method is sales comparison approach; also uses DCF analysis.	Drug stores	2.0%	3.0%	BBB- to AA	9.60%	3.00%	13.00%	9.00%	0.00%	None	5
REIT Primary valuation method is DCF analysis; also uses direct capitalization and sales comparison; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve.	Office, industrial, big-box retail	3.0%	3.0%	BB to AAA	9.50%	2.00%	10.25% to 11.00%	8.90% to 10.00%	0.00%	$0.15 (Level)	4
INVESTORS AND BROKERS Primary valuation method is direct capitalization; also uses sales comparison approach.	Drug stores, retail	(2)	(2)	BBB to A+	(2)	(2)	(2)	9.00%	0.00%	None	(2)
INVESTMENT ADVISOR Primary valuation method is DCF analysis; also uses direct capitalization; in direct cap, capitalizes cash flow after TIs, leasing commissions, and capital replacement reserve.	Office, industrial, retail	2.0%	2.0%	BB to AAA	8.00% to 10.00%	(2)	10.00% to 12.00%	8.00% to 10.00%	0.00%	$0.10 to $0.20 (NN leases only)	6
PRIVATE INVESTOR Primary valuation method is direct capitalization; also uses DCF analysis; in direct cap, capitalizes cash flow after TIs, leasing commissions, and capital replacement reserve.	Retail, warehouse, industrial, office, restaurant, healthcare	(2)	(2)	BB to A	(2)	3.00%	10.00% to 12.00%	(2)	0.00%	Yes; if landlord has replacement responsibility	6 to 12
REAL ESTATE SERVICE FIRM Primary valuation method is DCF; also uses direct capitalization; prepares valuations subject to financing.	Drug stores	3.0%	3.0%	BBB	10.00%	2.0% to 3.0%	10.00% to 11.00%	8.00% to 9.00%	5.0%	$0.10 to $0.15	4 to 6

(1) Does not consider any residual value
(2) Did not disclose

PRICEWATERHOUSECOOPERS

Source: Personal survey conducted by PricewaterhouseCoopers LLP during April 2002.

QUALIFICATIONS OF THE APPRAISER

BERNARD A. PAGE, JR., MAI

Professional Memberships and Licenses

Maryland Certified General Real Estate Appraiser No. 04-626
Delaware Certified General Real Estate Appraiser No. X10000023
Pennsylvania Certified General Real Estate Appraiser No. GA-000516-L
Virginia Certified General Real Estate Appraiser No. 4001-003658
Member, The Appraisal Institute, MAI, 1979
Treasurer of Maryland Chapter No. 26 - 1983
Licensed Real Estate Broker in the State of Maryland
Licensed Real Estate Broker in the State of Delaware

Education

Attended Essex Community College
Completed Courses I, II, VI and VIII offered by The Appraisal Institute
Completed Real Estate Brokers Course at the University of Baltimore
Continuing Education (Seminars, Conferences, etc.)

Experience

This appraiser has been active in the real estate profession since 1963 and has been engaged solely in appraising since 1967. Sole proprietor of The Page Appraisal Company, Inc. since 1973.

Court Testimony

Circuit Court of Allegheny County
Circuit Court of Anne Arundel County
Circuit Court of Baltimore City
Circuit Court of Baltimore County
Circuit Court of Cecil County
Circuit Court of Harford County
Bankruptcy Court, Baltimore
Federal District Court, Baltimore
Insurance Commission Hearings,
State of Maryland
Maryland Tax Court
Property Review Board Hearings, St. Highway
Admin., Baltimore, Harford and Cecil Counties
Superior Court New Castle County Delaware
Tax Appeal Hearings Baltimore City
Zoning Hearings, Harford, Baltimore and Cecil Counties

REPRESENTATIVE CLIENT LIST

Government Offices

Baltimore City
Baltimore County
Baltimore County Office of Law
Carroll County
Cecil County
City of Aberdeen
Federal Deposit Insurance Corp. (FDIC)
General Services Administration
Harford County
Harford County Law Department
Howard County
Maryland Economic Dev. Commission
Maryland Department of General Services
Maryland Dept. of Transportation
Maryland Industrial Financing Authority
Maryland Mass Transit Administration
Maryland Port Authority
Maryland Stadium Authority
MD St. Dept. of Mental Health & Hygiene
Maryland State Health Department
Maryland State Highway Administration
Medical Care Finance & Compliance Admin.
Neighborhood Progress Administration
Resolution Trust Corporation (RTC)
St. of DE Dept. of Transp. (DelDot)
Town of Bel Air
Town Of Elkton
Town of Port Deposit
U.S. Dept. of Housing & Urban Dev. (HUD)
U.S. Postal Service

Financial Institutions

Allfirst
American National Savings Bank
Atlantic Federal Savings Bank
Baltimore County Savings Bank
Bank of America
Bank of Delaware
Bank of Maryland
BayNet Bank
Business Loan Express
Carroll County Bank & Trust
Carrollton Bank
Cecil Federal Savings Bank
CentraBank
Central Maryland Farm Credit
Chesapeake Federal Savings & Loan
Church Loans and Investments Trusts
Citizens National Bank
Columbia Bank
Column Financial, Inc.
CoreStates Financial Corp.
Drovers Bank
Eastern Savings Bank
Elkridge Bank
Fairfax Savings Bank
FCNB Bank
Federal Savings Bank of Maryland
First Virginia Bank Company
Forest Hill Bank
Ford Motor Credit
Generale Bank, NY
GMAC Mortgage Corporation
Harbor Federal
Harbor Federal
Harford National Bank
Household Bank
Key Federal Savings Bank
Keystone Financial Savings Bank
Mellon Bank
Mercantile SD & Trust Company
Mid State Federal
Money Store Investment Corp.
Northern Central Bank
Peoples Bank
PMC Commercial Trust
PNC Bank Corp.
Provident Bank of Maryland
Reisterstown Federal Savings Bank
Rosedale Federal Savings Bank
Signet Bank
Sparks State Bank
Toyota Credit Thompson
Volkswagen Credit Cook

REPRESENTATIVE CLIENT LIST

Financial Institutions - Cont'd

First Fidelity Bankcorporation
First Mariner Bank
First Maryland Bankcorp
First National Bank of North East
First Union Bank
Union National Bank of Westminster
Valley Bank
Westminster Bank & Trust

Insurance Companies

Allstate
Christian Mutual Insurance Company
Greater Northern Annuity
Home Beneficial Insurance Company
I. P. Capital Corp.
Metropolitan Life
Morgan Guaranty Trust Company of N.Y.
Northwestern Nat'l Life Ins. Co.
State Farm Insurance Company

Attorneys At Law

Adelberg, Rudow, Dorf & Hendler
Azrael, Gann & Franz
Blades & Rosenfeld
Brown, Brown & Brown
Covahey & Boozer
Gordon, Feinblatt, Rothman, Hoffberger & Hollander
Gessner Snee Mahony & Lutche
Levan, Schimel, Belman & Abramson
Mehlman & Greenblatt, LLC
Michael E. Leaf
Miles & Stockbridge
Miller, Olszewski & Moore
Moore, Carney, Ryan & Lattanzi
Noland, Plumhoff & Williams
Piper Rudnik
Romadka, Gontrum & McLaughlin
Stark & Keenan
Tabor & Rottman
Venable, Baetjer & Howard
W. Gibbs McKenney
Whiteford, Taylor & Preston

Corporations

Archdiocese of Baltimore
Baltimore Gas & Electric Company
Besche Oil Company
Chesapeake Health Care
Chevron U.S.A., Inc.
Continental Realty Credit, Inc.
Crown Central Petroleum Corporation
Midas Realty Corporation
MIE Investment Corporation
Mobil Oil
Philadelphia Electric Company
Phillips Petroleum Company
Security Title Guarantee Corp. of Baltimore
Safeway Stores, Inc.

REPRESENTATIVE CLIENT LIST

Corporations - Cont'd

CSX Resources, Inc.
Battelle HEAT Center
Delmarva Broadcasting Co.
Empire Gas Corporation
Exxon Company U.S.A
Gulf Oil Company
IKEA
James F. Knott Development Corp.
Johns Hopkins University
Maryland American Water Works
McDonald's Corporation
Mid-Atlantic Certified Dev. Company
Shell Oil Company
South Charles Realty Corporation
Southern States Cooperative
Sun Company, Inc.
Taco Bell
U.S.F. & G
Texaco, Inc.

Residential and Commercial Developers

Over three decades we have completed hundreds of appraisals for commercial and residential developers. Specific client references are available upon request.

QUALIFICATIONS OF THE APPRAISER

DAVID JANUARY, MAI, SRA

STATE CERTIFICATIONS and LICENSE

State of Maryland; Certified General Real Estate Appraiser, No. 04-051, expires 12/31/03

PROFESSIONAL DESIGNATIONS AWARDED

Appraisal Institute Designations
MAI, - Appraisal Institute, 1984
SRA, - Appraisal Institute, 1982
SRPA,- Appraisal Institute, 1990

PROFESSIONAL AFFILIATIONS

Member of the Appraisal Institute

PUBLISHED ARTICLES

Real Estate News, July, 1983, "What to Look for in Appraisals"
The Real Estate Appraiser and Analyst, Fall, 1989, "Forecasting Lot Values Using Regression Analysis"

COURSES/SEMINARS AUTHORED

Appraisal Institute, 1992, "Appraisal Reporting of Complex Residential Properties," with Joseph Minnich, III, SRA, SRPA

QUALIFIED AS EXPERT WITNESS IN THE FOLLOWING JURISDICTIONS

- Baltimore City, Maryland
- Harford County, Maryland

Teaching

Appraisal Institute

Appraisal Principles (course 110)
Appraisal Procedures (course 120)
Basic Income Capitalization (course 310)
Advanced Income Capitalization (course 510)
Advanced Applications (course 550)
Standards of Professional Appraisal Practice (USPAP), Parts A and B
Appraisal Review Residential, seminar
Understanding Limited Appraisals and Reporting Options, General, seminar

Teaching continued

The Uniform Residential Appraisal Report, seminar
Understanding Limited Appraisals and Reporting Options, Residential, seminar
Construction & Inspection of Residential Properties, seminar
Appraisal Reporting of Complex Residential Properties, seminar

Education

Joseph A. Sellinger, S.J. School of Business, Loyola College, Maryland
Masters of Business Administration, May, 1990
Towson State University
Bachelor of Science, graduated June, 1978
Majored in both Economics and Business Administration with a Finance Concentration.
Appraisal Institute
Appraisal-related courses and seminars attended and completed:
Narrative Report Writing Seminar, 1980
1-B-1 Capitalization Theory - Part 1, 1980
1-B-2 Capitalization Theory - Part 2, 1981
1-B-3 Capitalization Theory - Part 3, 1982
2-1 Case Studies in Real Estate Valuation, 1984
2-2 Valuation Analysis and Report Writing, 1984
2-3 Standards of Professional Practices, 1982, 1990
8 Single Family Residential Appraisal, 1978
Professional Practices and Ethics, 1988
Capitalization Theory and Techniques, Part A, 1988
Real Estate Valuation Using Spread Sheets, 1990
Mortgage Equity & Discounted Cash Flow Technique, 1990
Appraisal Reporting of Complex Residential Properties, 1992
Residential Case Study (course 210), 1992
International Appraising, 1992
Advanced Income Capitalization (course 510), 1993
The URAR Seminar, 1993
Appraisal Procedures, 1993
Subdivision Analysis, 1994
Appraisal Review, Residential, 1994
Understanding Limited Appraisals and Reporting Options, Residential, 1994
Construction & Inspection of Residential Properties, 1995
USPAP, Update, 1997
Income Capitalization, Seminar, 1997
Appraising 2-4 Family Homes, 1997
Reviewing Appraisals, 1997
Environmental Issues and Appraisers, 1997
Appraisal of Nonconforming Uses, 1999
Partial Interest Valuation - Divided, 1999
Regression Analysis in Appraisal Practice, 2001
Real Estate Value Cycles, 2001
Crossing The Line: Home Mortgage Fraud, 2002

Miscellaneous

Appraisal-related courses and seminars attended and completed:

Standards of Professional Practice (AI/GBBR), 1991
Appraising the Single Family Residence (AI/GBBR), 1991
Real Estate Appraisal Methods (AI/GBBR), 1991
Principles of Capitalization (AI/GBBR), 1991

Honorary

Co-recipient of the Arthur A. May Memorial Award, 1993

REPRESENTATIVE SAMPLING OF TYPES OF PROPERTY APPRAISED: Single family residences, individual condominium and PUD units, 2-4 family units, residential subdivisions, apartment projects, condominium projects, farmland, vacant land, automobile dealerships, retail facilities, offices, warehouses, industrial, shopping centers, trailer parks, and various special purpose properties.